

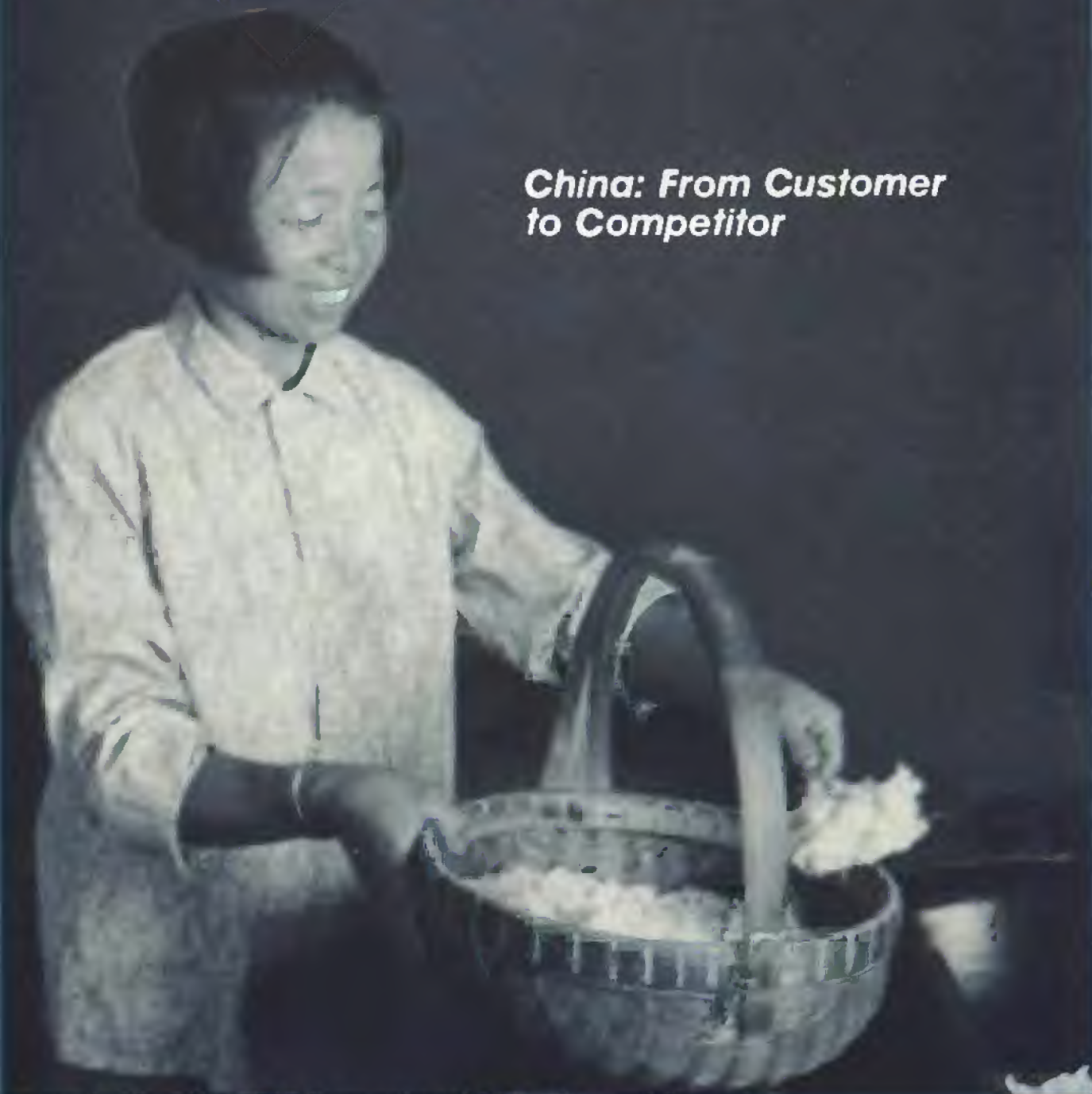
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AGRICULTURAL OUTLOOK

March 1985

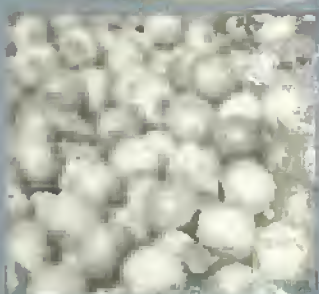
Economic Research Service
United States Department of Agriculture

***China: From Customer
to Competitor***



AGRICULTURAL OUTLOOK

March 1985/AO-106



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In Brief. . .

News of Inputs, Transportation, the U.S. & World Economy

The economy is expanding faster than anticipated, and consumer and industrial demand for farm products will grow at above-average rates again in 1985. However, the largest gains will continue to be in restaurant spending and other service additions to raw farm products. Actual demand at the farm level is expected to increase 1.5 to 2.0 percent—not enough to remove burdensome supplies of major program crops. Rising employment and higher consumer incomes should help domestic demand for meat, though.

Abundant crop supplies for the next year and lower crop prices have increased concern about farmers' current financial stress. However, no immediate turnaround in the farm financial situation is expected.

World trade is likely to continue expanding, as import demand in the United States, Japan, and other dynamic economies fuels export sales in the rest of the world. This strong growth in exports, combined with stable interest rates, is helping spur recovery in the developing countries.

As for the U.S. export outlook, a continued strong dollar will likely keep U.S. goods costly in foreign markets, even though domestic crop prices will be off 5 to 10 percent. Consequently, agricultural export volume is expected to increase only slightly, despite foreign economic growth and much larger Soviet grain imports.



Reduced feed costs, a moderate increase in livestock prices since fall, and a robust general economy are helping to improve livestock producers' income prospects for this year and next. Cattle and hog producers, however, continue to reduce inventories. Broiler producers are stepping up first-half production 5 to 8 percent.

The Florida freeze has reduced citrus production by an estimated 3 percent from last year's small crop. Fresh vegetable prices are rising for the third consecutive month, and they are expected to climb further because of the freeze.

Domestic shipments of grains and soybeans this year are expected to be slightly above 1984. The current jum-

bo hopper car fleet should be adequate to meet demand. Relatively large grain marketings and a strong economy are likely to cause railroads to seek additional rate increases in 1985. Truck operating costs continue to edge up, but these increases will probably be offset by substantial gains in supply. Therefore, truck rates are expected to climb little this year. During 1984, one-fourth to one-third of the barge fleet remained idle. Even if grain exports are larger in 1985, barge rates are not likely to rise.

Average fertilizer prices this spring could drop below last year, as plentiful supplies reduce fall-to-spring price increases. Machinery sales in 1985 are forecast at \$7.35 to \$7.65 billion, close to the \$7.4 billion estimated for 1984. Aggregate pesticide prices are not expected to change much from last year.

The performance of China's agriculture over the last 7 years has far surpassed the expectations of both Western analysts and China's planners. Total agricultural output expanded 49 percent between 1978 and 1984, ending growth in China's imports and making the nation an exporter in several commodities that it once imported.

No, you haven't missed an issue—

Agricultural Outlook is simply on an accelerated schedule, to allow the magazine's commodity analysts to follow more closely the World Agricultural Supply and Demand Estimates each month. A summary of each issue will now be released in midmonth, with the printed magazine mailed about 12 days later.

To reflect the new schedule, this issue—which would have been January/February—has become the March issue. Issue numbers will stay in sequence, with no skipping. And, subscribers will still receive the full number of issues that they're entitled to.



Agricultural Economy

The slide in crop prices since last summer and farmers' financial problems have been the center of most discussions about the farm situation in recent months. These lower prices likely will continue through the year, unless there are major weather problems that stunt production here or abroad. Stocks of most crops will increase this season because the larger 1984 harvest will easily outweigh small increases in domestic use and exports.

The general economy is growing at a faster rate than anticipated earlier, but this is not especially good news for all farmers. While rising employment and increasing consumer incomes should help domestic demand for meat, the recovery in the U.S. economy is also helping to keep the dollar very strong. This makes U.S. goods more costly in foreign markets. Thus, the volume of U.S. agricultural exports will increase only slightly in 1984/85, even though crop prices will be off 5 to 10 percent.

Financial Stress Continues

Farmers have recently said they will plant nearly as many acres this year as last. However, some farmers are scrambling to find credit for seed, fertilizer, fuel, and other production items in 1985. Many of the producers

in financial stress are highly leveraged; declining land and machinery values have reduced the value of their assets in relation to their debts. Cash flow problems have been widespread for both crop and livestock farmers. Adjusting to declining crop prices is much less of a problem for farmers who owe little on their land than for their highly leveraged neighbors.

Prospects for reduced net farm income in 1985 and abundant crop supplies for the next several years have added to the concern about current financial stress. No quick turnaround in the farm financial situation is expected. Agricultural production appears to be abundant worldwide, while growth in demand is only moderate.

Later this year, new farm legislation will be passed. The 1985 farm bill could include some new policy approaches to stabilizing farm prices and maintaining income. However, the new legislation will not be felt in the market until 1986.

For Livestock Producers, Not All the News Is Bad

Discussing financial problems of farmers can easily leave the impression that all agricultural sectors are stressed. However, the developments that have contributed to the deterioration in crop prices have benefited livestock and poultry producers. Increases in consumer incomes and reduced feed costs will help boost livestock returns this year.

Following the combined impact of the PIK program and the 1983 summer drought, feed costs rose sharply. Low returns led many livestock and poultry producers to reduce their production and cut back on breeding stock. Now, however, depleted stocks of feedstuffs have been substantially rebuilt from the 1984 harvests. Since feed is the largest cost in raising hogs, chickens, and turkeys, and a major cost for cattle feeders, many producers' chances for profit are improving.

In recent weeks, corn has been selling for about \$2.65 a bushel at central markets, while soybean meal has been around \$135 a ton. Last winter, corn prices were 15 to 20 percent higher and soybean meal was about a third higher.

The rough measures of profitability in feeding—livestock-feed price ratios—have jumped 15 to 25 percent above last year, even though cattle and broiler prices are lower than they were last winter. Hog prices have trended up and are higher than they were last winter.

Despite Encouraging Conditions, Livestock Inventories Shrinking

Reduced feed costs, a moderate increase in livestock prices since fall, and a more robust general economy should give livestock producers improved returns in 1985. Cattle and hog producers, however, continue to reduce inventories, demonstrating concern about the price outlook. Broiler producers, with a much shorter biological cycle, are stepping up first-half production 5 to 8 percent.

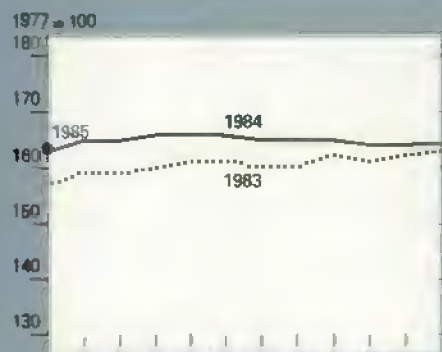
Production plans already announced and the continued growth in the general economy will likely lead to moderately higher livestock prices this year. However, the continued large shipments of Canadian hogs into the United States—because of big available supplies and the strength of the U.S. dollar—add question marks about the strength of prices later in the year.

The cash flow problems of many farmers this spring also cloud the price outlook. There are no data on how many cows or hogs were shipped to market during 1984 to raise spring operating money and to bolster cash flow. However, this helps explain why cow slaughter remained high in 1984. Implementation of the new dairy program last winter and drought-related forage problems in some regions contributed to the stepped-up cow slaughter, but financial stress added to the selloff.

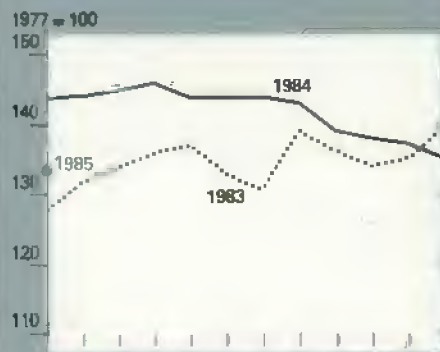
Sales of both beef cows and hogs are likely to remain high, as farmers who need money for spring planting look to animal assets to provide part of the necessary funds. Any such movement would disrupt the usual flow of livestock to market and reshape the price outlook. [Don Seaborg (202) 447-8378]

Prime Indicators of the Agricultural Economy

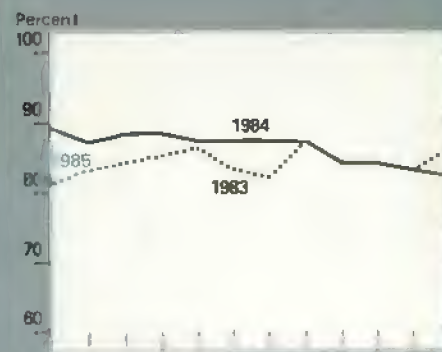
Prices paid by farmers¹



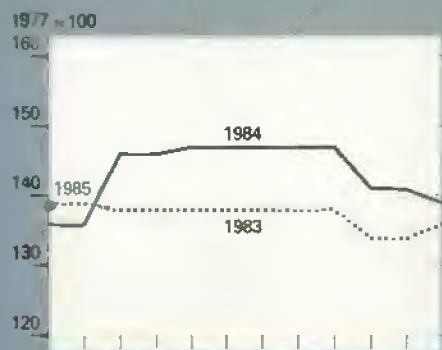
Prices received by farmers²



Ratio of prices received to prices paid



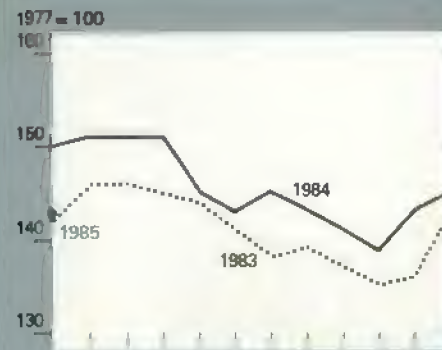
Fertilizer prices³



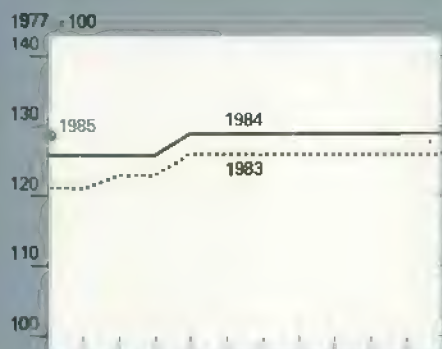
All crops⁴



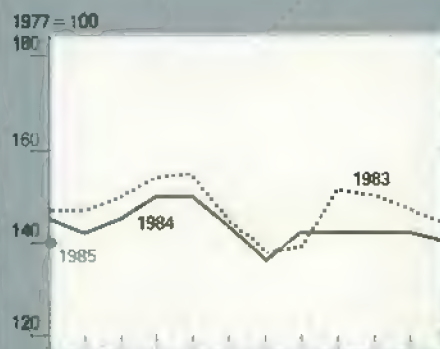
Livestock and products⁴



Agricultural chemicals³



Food grains⁴



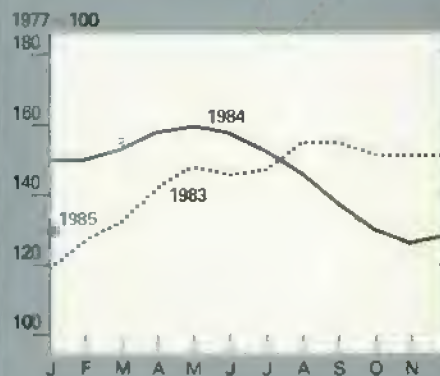
Meat animals⁴



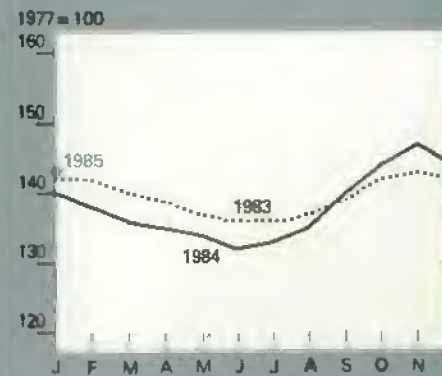
Tractors and self-propelled machinery³



Feed grains and hay⁴



Dairy products⁴



¹ For commodities and services, interest, taxes, and wages.

² For all farm products.

³ Index of prices paid; 1977 = 100.

⁴ Index of prices received; 1977 = 100.

LIVESTOCK HIGHLIGHTS

• Cattle

Commercial beef production in 1984 was 23.4 billion pounds, 2 percent above 1983. The primary reason was that cow slaughter was above year-earlier levels for each month of the year except December.

The beef herd was smaller than in 1983 because of drought-reduced forage supplies, financial stress among mixed crop-livestock enterprises, and continuing poor returns to cow-calf producers. Additional dairy cows were slaughtered as part of the dairy diversion program.

Nearly 18 percent of the cows in the January 1, 1984, inventory were slaughtered, compared with 14 percent for the 1979-83 average. This was the highest rate of cow slaughter since 1977, when 18.8 percent of the herd was slaughtered.

Cow slaughter is likely to drop sharply during 1985. Several factors led to heavy culling last year; a brief look at these factors supports the forecast of a decline this year:

- The dairy diversion program ends on March 31.
- Drought regions have received moisture, and forage supplies appear ample—particularly for the reduced inventory. Hay production in 1984 was a record 151 million tons.
- On financially stressed mixed crop-livestock farms, the sharpest herd liquidation may have already occurred.
- Net returns to cow-calf producers, even though still poor in 1984, improved with stronger prices and only small increases in input prices.

Cattle on feed in the 13 quarterly reporting States were up 7 percent from a year earlier, according to the January 1 *Cattle on Feed* report. Placements during the fourth quarter were up 4 percent from a year earlier. Fed cattle marketings slowed in late December, but they were still up 1 percent for the quarter. The number of heifers on feed increased 14 percent, indicating producers' continued reluctance to expand their herds.

The January 1 report suggested an increase in first-quarter fed beef production. A large share of the cattle on feed were in the heaviest weight categories. Heifers weighing 900 pounds and over were up 22 percent from a year earlier, and steers weighing 1,100 pounds and greater were up 14 percent. Most of these heavier cattle were marketed by late January. Fed beef production will likely be at or slightly above year-earlier levels through the remainder of 1985. However, total production will be held below 1984 levels by a sharp drop in nonfed slaughter.

Throughout 1984, cattle feeding activity was strong in the Southern Plains. Texas marketed a record 5.1 million fed cattle during 1984, 23 percent of the total 13-State fed marketings. In contrast, Iowa marketed only 1.9 million head—9 percent of the total fed marketings, compared with 11 percent in 1983.

Omaha Choice fed steer prices averaged \$65.34 per cwt in 1984, up about \$3 from 1983. At the same time, retail beef prices averaged \$2.40 per pound, compared with \$2.38 a year earlier. Large supplies prevented the retail price from going higher in response to higher employment and 6.8-percent growth in disposable income.

The farm-retail price spread last year averaged \$1.00 per pound, down from \$1.02 in 1983. As a result of the higher Choice steer prices, the farmer's share of the retail beef dollar increased to 58 percent last year, compared with 57 in 1983.

Given smaller beef supplies, 1985 Choice steer prices will likely average \$65 to \$69, with a probable seasonal high this spring in the low \$70's. Retail prices may strengthen to the low

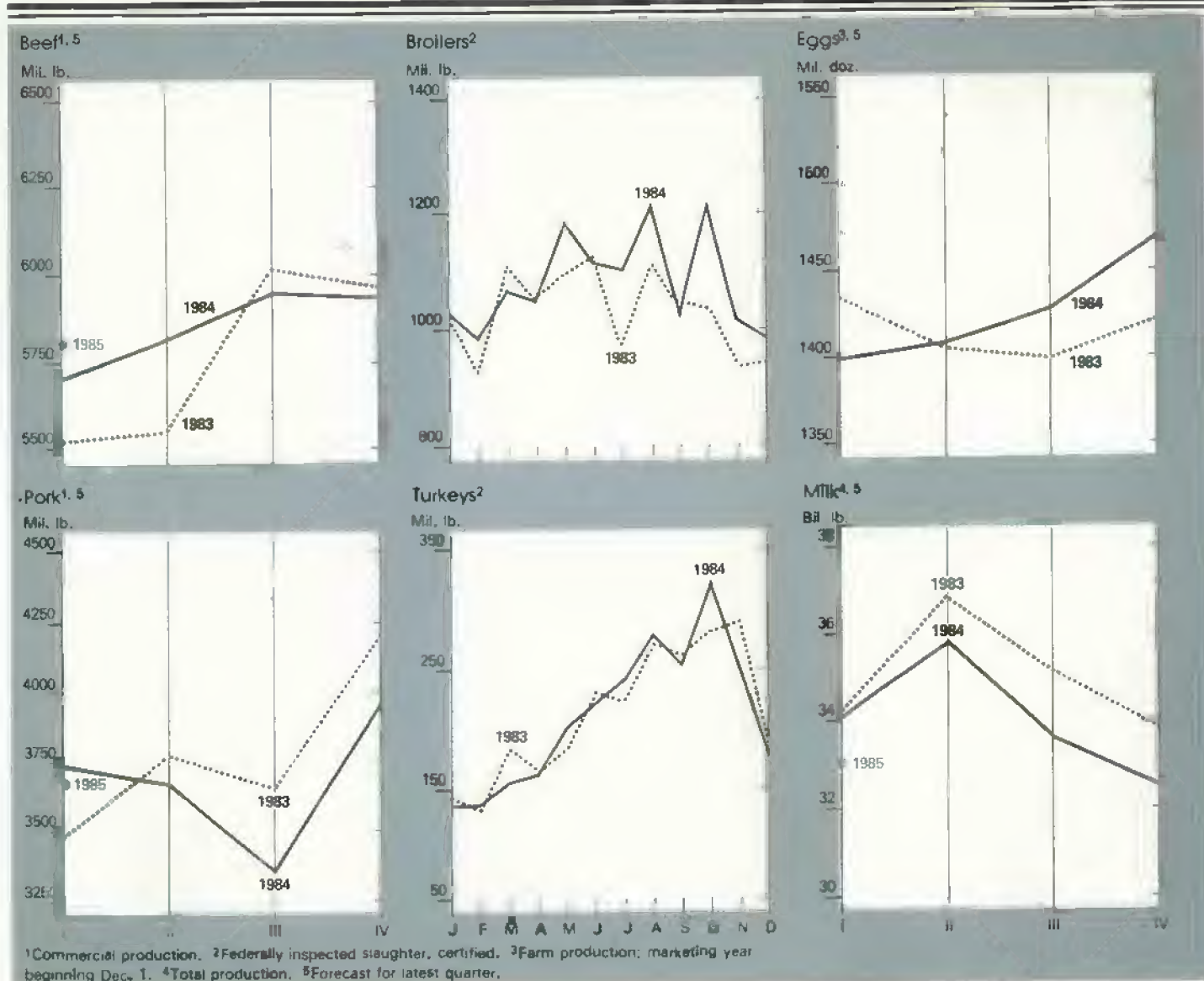
to middle \$2.40's this spring and remain near the middle \$2.40's in the second half of 1985.

Yearling steers at Kansas City averaged \$65.28 per cwt last year and will likely average \$65 to \$71 this year. The greatest strength will come during the second quarter, when prices may reach the low to middle \$70's. Greater feeder cattle prices will be supported by higher Choice steer prices, continued strong cattle feeding activity, and tighter supplies of feeder cattle.

Utility cow prices moved up in January as cow slaughter declined. Cow prices at Omaha last year averaged \$39.81 per cwt, about even with 1983. With a 13-percent increase in cow slaughter, the stable 1984 price suggests strong demand for hamburger and processed meats. Omaha Utility cow prices likely will average in the low \$40's this year.

Given the high 1984 cow slaughter and fewer heifers entering the herd, this year's January 1 inventory of cattle and calves fell to 110 million, down from 114 million a year earlier. This inventory will provide a smaller base for future production, causing beef supplies to begin tightening in the latter part of the year. The cattle inventory and beef production have both been bolstered by the large number of cattle on feed at the beginning of the year. Most of these cattle will be marketed by late summer.

Producers will probably be cautious about expanding herds. The result will be, at best, a stabilizing of the cattle inventory in 1986 following some additional declines this year. Besides the likelihood of less cow slaughter, the number of heifers held for beef replacement breeding stock was down 10 percent on January 1. Many of the yearling heifers that were potential replacement stock were placed on feed during the third and fourth quarters. With stronger prices this year, producers should receive a positive net return and heifers may be retained this fall to calve and enter the herd in 1987. [John Nalivka (202) 447-8636]



Hogs

The December 1 *Hogs and Pigs* report confirmed that producers continued to liquidate their breeding herds in 1984 and that they plan to reduce the number of sows farrowing during first-half 1985. The cutback has resulted from unfavorable returns and financial stress.

Feed costs dropped sharply in late summer and fall, which typically would encourage expansion. Also, there were opportunities last fall to forward-price hogs at levels that would yield a positive return. Still, based on early first-quarter slaughter data, producers continue to market gilts rather than retain them for herd expansion. The lack of expansion may be the

result of producers' desire to generate more cash internally, especially for the upcoming planting season.

Based on the December 1 inventory of market hogs and farrowing intentions, commercial slaughter for all of 1985 may total about 82.5 million head, down 3 percent from 1984. The average dressed weight is expected to be about the same as last year. So, commercial production may also be down 3 percent from 1984.

Hog prices at the seven major markets are expected to average \$48 to \$54 per cwt in 1985, compared with \$49 in 1984. Moderately lower beef production and a continuing strong economy will tend to strengthen prices, while rising broiler output will tend to weaken them. Cold storage stocks during

1985 are projected to drop from the near-record 1984 levels, burdening the market less than last year. Beginning stocks in 1985 were 9 percent lower than last year. In addition, nonfed steer, heifer, and cow slaughter may decline. This will help support pork prices because more pork will be used in processed meats.

Imports of pork products during 1984 totaled 954 million pounds (carcass weight), up 35 percent from the year before. Nearly three-fourths of all pork imported is from Canada and Denmark. The increased imports are due largely to the strong dollar. Also, during 1983, frozen and chilled pork

from Denmark was banned from entering the United States because of an outbreak of foot and mouth disease. Imports of pork products in 1985 may increase about 2 percent to 975 million pounds, because of the continued strong dollar and higher U.S. prices.

Live hog imports from Canada during 1984 totaled 1.3 million head, nearly three times the 1983 total. The International Trade Commission has determined that there is a reasonable indication that the U.S. pork industry is being materially injured by imports of live hogs and pork products from Canada. The Department of Commerce is scheduled to meet on April 1 to determine whether Canada has been subsidizing its pork industry and whether that practice gives Canadian producers an unfair advantage over the U.S. industry. In the absence of countervailing duties or a negotiated agreement, live hog imports in 1985 may rise to about 1.5 million head, from 1.3 million in 1984. [Leland Southard (202) 447-8636]

• Sheep and Lambs

The January 1 inventory of all sheep and lambs totaled 10.4 million head, down 9 percent from last year. The flock reduction is due to poor forage conditions, especially in the Edwards Plateau of Texas, and extremely harsh weather last spring in some of the Mountain States. The 1984 lamb crop totaled 7.77 million head, down 5 percent from 1983. The 1984 lambing rate (lambs per 100 ewes 1 year and older) was 99.

Based on the January 1 inventory, commercial lamb and mutton production is expected to total 330 million pounds in 1985, down 11 percent from 1984. This would be the first production decline in 5 years. Commercial slaughter is projected to total 5.9 million head in 1985, compared with 6.8 million in 1984; producers are likely to retain some additional ewe lambs this year.

Choice lamb prices at San Angelo are expected to average \$63 to \$69 per cwt in 1985, compared with \$62 in 1984. Second-quarter lamb prices may average the highest for the year—in the high \$60's to low \$70's. In the other quarters, prices may average in the middle \$60's. [Leland Southard (202) 447-8636]

• Broilers

Wholesale prices of broilers during 1984 remained above 1983 except in the fourth quarter, when supplies were up 10 percent from 1983. In spite of the large supplies and weaker prices last fall, a decline in feed costs put net returns at wholesale above breakeven. Prospects for profits again in 1985 appear favorable, even with some increase in feed costs from the low fall levels. Moreover, costs of feed will likely remain below last year through the first half. Increased crop production in 1984/85 resulted in lower prices for corn and soybean meal, principal ingredients in poultry feed.

The strong broiler prices in 1984 and favorable net returns have encouraged producers to expand their hatching egg capacity. The number of pullets entering the hatchery supply flocks has been above a year earlier since second-quarter 1984. Cumulative pullet chick placements 7 to 14 months earlier were about the same as a year earlier in fourth-quarter 1984 and will be up 5 percent in first-quarter 1985.

Broiler producers have hatched 6 percent more chicks for first-quarter slaughter than last year. Since average slaughter weights have continued to increase, broiler meat output from federally inspected plants in first-quarter 1985 is expected to be 7 percent above the 3,082 million pounds produced in first-quarter 1984. With prospects continuing favorable, second-quarter output should also increase 7 percent.

The composite price for whole broilers in the 12 cities was 50 cents per pound in fourth-quarter 1984, down from 55 a year earlier. Reduced competition from red meats, primarily pork, will help support broiler prices. However, the support may be offset by larger broiler production. Further, export prospects are dim because the strong dollar will continue to keep U.S. broiler prices above those of competing nations.

Thus, prices for whole broilers in the 12 cities are expected to average 51 to 54 cents per pound in the first quarter, down from 62 cents in 1984, when avian flu threatened supplies. During the second quarter, prices may average 51 to 55 cents, slightly off from 56 in 1984. [Allen J. Baker (202) 447-8636]

• Turkeys

Turkey producers ended 1984 with strong prices and low feed costs—incentives to expand production in 1985. Early in 1984, avian flu caused

destruction of a few flocks, but prices were influenced only slightly because flu struck during the off season for turkey consumption. However, these losses may have reduced the potential to expand turkey production.

Production of turkey meat in federally inspected plants totaled 774 million pounds in fourth-quarter 1984, up 2 percent from the year before. The number of light turkeys has declined, which partially explains the continued increase in the average slaughter weight of turkeys. Preliminary data suggest turkeys averaged 19.79 pounds in 1984, up 1 percent from 1983. The number of turkeys slaughtered was about the same as in 1983, but the heavier weights resulted in more output.

Producers are optimistic and expect demand for turkey to remain strong in 1985. Producers in the 20 largest turkey-producing States were surveyed on December 1 and indicated that they planned to increase the number of turkeys raised this year by 5 percent. If prices and costs turn out as expected, turkey meat output may increase 7 to 9 percent from 1984, a little higher than producers indicated.

Based on the number of poult placed that could be slaughtered, output of turkey meat from federally inspected plants during first-quarter 1985 may total 11 percent more than in 1984. During December 1984, the number of poult placed for slaughter was 3 percent below 1983. In spite of this decline, output in second-quarter 1985 is expected to be up about 10 percent from 1984's 589 million pounds.

On January 1, the volume of frozen whole turkey and turkey parts was 126 million pounds, down from 162 million in 1984. These low cold storage stocks will likely help strengthen prices. Stocks at these levels provide an opportunity to store more turkey if prices slip too low during the off season.

Prices for 8- to 16-pound commodity pack hen turkeys in the Eastern region averaged 91 cents per pound in fourth-quarter 1984, up from 69 in 1983. Exceptional retail turkey movement at Thanksgiving cut retail supplies for Christmas sales and drove up wholesale prices.

Prices of tom turkeys (which are usually larger and better suited for further processing) have been above hen prices. Thus, further-processed turkey products would appear to be in demand.

During first-quarter 1985, prices of commodity-packed, 8- to 16-pound hen turkeys in the Eastern region are expected to average 66 to 69 cents per pound, near last year's 68. With continued expansion of output in the second quarter, prices will likely decline from the first quarter but still average 63 to 67 cents, compared with 67 in second-quarter 1984. [Allen J. Baker (202) 447-8636]

•Eggs

Egg producers had negative net returns in the second half of 1984. Very favorable net returns in the first half encouraged them to expand capacity; as this expansion occurred in the second half, egg prices declined. Even with costs lower than last year, the increased output in 1985 will likely keep net returns near to slightly below breakeven.

With more pullets entering the flocks, the number of hens on farms in the fourth quarter of 1984 increased almost 3 percent from a year earlier. In addition, the rate of lay was about 1 percent above 1983. Thus, egg production during the fourth quarter was 3 percent above 1983's 1,420 million dozen.

The pullets that entered the laying flocks in second-half 1984 will still be producing through first-half 1985. A younger flock this year should result in a higher rate of lay during the first half than during the first half of last year when older, less productive hens were being kept in the flock. Because of the better rate of lay, egg production is expected to be up 3 percent from a year earlier in both the first and second quarters of 1985.

The price of cartoned Grade A large eggs in New York averaged 67 cents per dozen in fourth-quarter 1984, down from 91 cents in 1983. Increased supplies, especially in December, weakened prices.

In 1985, domestic demand may be about steady. Exports are likely to be low relative to some years but to rise

slightly from 1984. However, the increase in supplies is expected to keep prices weak. During first-quarter 1985, prices of cartoned Grade A large eggs in New York may average 69 to 63 cents per dozen, down sharply from \$1.03 in 1984. If producers cull their older, less productive hens, prices may average 58 to 62 cents per dozen in the second quarter, still below 1984's 83 cents. [Allen J. Baker (202) 447-8636]

•Dairy

Milk production during 1984—the first 12 months of the 15-month diversion period—was 135.4 billion pounds. This was 4.2 billion, or 3 percent, below a year earlier. Adjusted for leap year, production was down 3.3 percent. The decline was the result of fewer cows and less milk per cow. In 1985, production is forecast to be unchanged to 2 percent greater than in 1984.

The dairy cow herd in January was 341,000 head below the November 1983 peak of 11.1 million. Cow numbers in 1984 averaged about 2.3 percent below 1983. Much of the decrease was from increased culling by diversion program participants, but some nonparticipants may also have reduced their herds because of lower returns and higher costs.

The dairy herd started 1985 2.8 percent below a year earlier, but for all of 1985, it is forecast to average unchanged to 1 percent below 1984. The number of dairy heifers kept for herd replacement on January 1 was 4.76 million, a ratio of 44 heifers per 100 milk cows, the largest ratio for January 1 on record. Thus, the number of milk cows is likely to expand after the diversion program ends, but the expected lower support price on April 1 and July 1 should limit the increase.

Output per cow in 1984 was down about 0.7 percent from 1983 because of concentrate feeding reductions and other management changes. Concentrate feeding was reduced because of the diversion program and sharply lower milk-feed price relationships during first-half 1984. In early 1985, with a much improved milk-feed price ratio, feeding is likely to increase. Thus, yield per cow is anticipated to move above year-earlier levels after the diversion program ends. For all of 1985, output per cow is projected to average 1 to 2 percent above 1984.

Prices received by U.S. farmers for all milk during 1984 averaged \$13.42 per cwt, 15 cents below a year earlier. The

effective all-milk price (adjusted for differences in deductions) was down 23 cents. In 1985, given lower support prices on April 1 and July 1, the all-milk price may be 35 to 70 cents lower than in 1984.

The Bureau of Labor Statistics retail index for dairy products averaged 253.2 in 1984 (1967=100), a 1.3-percent gain from 1983, while the all-food index increased 3.8 percent. In 1985, the retail dairy index is likely to be unchanged to 2 percent higher, while the all-food index is expected to rise 2 to 5 percent.

Commercial disappearance of all milk and dairy products is strong, as it has been since fourth-quarter 1983. Preliminary data indicate that use during 1984 was up 3.1 billion pounds (milk-equivalent, fat basis) from a year earlier, a gain of 2.5 percent. In 1985, because of the improved price position of dairy products relative to other food, larger real per capita incomes, population growth, and the national dairy products promotion program, sales are projected to be up 1 to 4 percent.

USDA net removals under the milk price support program totaled 8.6 billion pounds (milk-equivalent, fat basis) during calendar 1984, down nearly half from 1983. The removals were down because of lower milk marketings (less production and additional on-farm use) and higher commercial disappearance. In 1985, CCC net purchases are projected to be about the same as in 1984. [Cliff Carman (202) 447-8636]

CROP HIGHLIGHTS

•Wheat

Sign-up for the 1985 wheat program—a 20-percent acreage reduction and 10-percent paid land diversion—ends March 1. A year ago, producers enrolled 61 percent of the U.S. wheat base, or 57 million acres, in the program. Greater enrollment is likely this year. The 1985 program was made more attractive through a partially advanced deficiency payment and a land diversion payment; market price expectations have also been relatively low.

According to USDA's report on 1985 winter wheat sown, planted area was 57.6 million acres, down 9 percent from 1984 and the lowest since 1979. Hard Red Winter growers reduced

seedings about 3 percent, while excessively wet fall weather cut Soft Red Winter acreage 27 percent from a year earlier. White winter plantings were off 9 percent. If spring wheat growers continue their tradition of heavy program participation, 1985's program area for all types of wheat could be near 70 percent of the wheat base acreage, and total planted acreage could be about 74 million.

January 1 wheat stocks were 2,140 million bushels. This level confirmed earlier indications that low harvest-time wheat prices relative to feed grains encouraged record wheat feeding. Implied wheat feeding was near 370 million bushels during June-September, compared with 260 million the same period a year earlier. For the year, feed and residual disappearance is estimated at 375 million bushels, nearly the same as in 1983/84. A moderate slowdown in January-May wheat disappearance is expected to maintain yearend stocks at 1.4 billion bushels—only 100 million below 1982/83's record 1.5 billion.

Wheat markets have begun to respond to 1985 crop developments. With conditions considered fair to good over most production areas, wheat futures (July 85) are low. The probability of another large harvest in 1985 will pressure prices for the remainder of this year.

During the first half of the 1984/85 marketing year, the pace of U.S. wheat exports was 25 percent above a year earlier. The Soviet Union and China were heavy buyers. Shipments during September set a new monthly high of 245 million bushels. However, as the second half of the marketing season unfolds, competition from the Southern Hemisphere and the EC will slow the pace of U.S. exports. For the season, exports are projected to reach 1.48 billion bushels, 3 percent above last year.

The forecast for world wheat production in 1984/85 is nearly 514 million tons, 24 million above the previous record, set last year. While the exceptional yields in the EC have been well publicized, official estimates from Eastern Europe now indicate that 1984/85 wheat production in that region was also a record, surpassing last year by 19 percent. Recent upward revisions in the crop estimates for Argentina and Australia have increased

the projected surplus of exportable wheat in what is already a flooded market.

World wheat ending stocks for 1984/85 are projected at 109 million tons, up from 101 million last year. An expected increase of 65 percent (6 million tons) in the EC is a key factor.

World wheat trade for 1984/85 is currently forecast to exceed 107 million tons. The Soviet Union, which bought record quantities earlier in the season, has slowed its purchases in recent months. Also, import demand from China, the next largest wheat purchaser, has been cut by its record 1984/85 wheat harvest. In recent months, the African drought has dramatically raised the need for emergency food aid there, and the United States will be making substantial wheat shipments to affected nations throughout 1985.

Competition for export markets will be intense for the remainder of the 1984/85 year. Large supplies and inadequate storage facilities have recently led Argentina to sell wheat at around \$110 per ton (f.o.b. Buenos Aires), thereby exerting downward pressure on prices throughout the world. With weak commercial demand expected through June, the U.S. share of the world wheat market may drop slightly, to 37 percent. [Allen Schienbein (202) 447-8444 and Scott Reynolds (202) 447-8879]

•Rice

The 1984 rice harvest is estimated at 137 million cwt, unchanged from the earlier estimate. Total supplies for 1984/85 are now estimated at 185 million cwt; total disappearance, 125 million; and ending stocks, 60 million.

The 1984/85 forecast for U.S. rice exports remains at 64 million cwt (2 million metric tons, milled basis). Sales to the European Community and the Middle East are running ahead of last year's pace, but total exports and new commercial sales are down. Recent sales to Africa under the CCC Drought Relief Program may temporarily offset the weak demand for U.S. rice.

Average farm prices for rice are barely above the \$8 loan rate—around \$8.14. Although the forecast for season average prices remains at \$8.00 to \$8.60, prices will have to strengthen considerably to meet the midpoint of this range. Low farm prices should, however, serve to strengthen incentives to

participate in the 1985 rice program, which requires a 20-percent acreage reduction program and a 15-percent paid land diversion.

Spring planting intentions show that rice producers intend to plant almost 2.5 million acres in 1985. The planting intentions report also indicates a continuing trend toward a long grain-dominated U.S. rice sector. Producers intend to plant 2 million, or 80 percent of their acreage to long grain, leaving only a half-million acres for medium and short grain rice.

World milled rice production for 1984/85 is forecast at 314 million tons (461 million, rough basis), an increase of 2 percent from the record set last year. Favorable weather and the increased use of high-yielding varieties will likely lead to record yields in many major producing nations, including China, Indonesia, Thailand, Japan, Pakistan, and the United States.

Global rice trade in 1985 is expected to decline by 6.5 percent to 11.5 million tons. Reduced import demand by Bangladesh, India, Indonesia, and the Republic of Korea may lead to the lowest volume of rice traded since 1977. World ending stocks are forecast 12 percent higher than last year; successful harvests and stockpiling policies in many major importing nations are forecast to raise their 1984/85 ending stocks nearly 20 percent, to 4.3 million tons. [Barbara C. Stucker (202) 447-8444 and Scott Reynolds (202) 447-8879]

•Feed Grains

U.S. corn growers intend to plant 82 million acres in 1985, 2 percent above last year. Intended plantings of other feed grains are up 4 percent from last year. If intentions are realized, total area planted to feed grains will be 125.5 million acres, about 3 percent above last year. However, with stocks likely to grow, total supplies of feed grains for 1985/86 will be greater.

The 1984 feed grain output was an estimated 236 million metric tons, up 73 percent from 1983. The harvest brings total feed grain supplies for 1984/85 to 268 million metric tons, compared with 234 million in 1983. These supplies are leading to lower prices, larger carryout, and greater domestic and export use in the 1984/85 marketing year.

The 1984 corn crop was 7.65 billion bushels, up 83 percent from the extremely low 1983 crop. Implied fourth-quarter 1984 feed and residual use of corn was a record 1.7 billion bushels. Marketing-year feed and residual disappearance is forecast at 4.2 billion bushels, up from last season's 3.7 billion. Food, seed, and industrial use should continue to grow as corn prices stay low and demand for high fructose corn syrup and gasohol remains strong.

Strong corn exports early in the marketing year indicate that exports could rise to over 2 billion bushels this season, ending a 3-year decline. Even with greater disappearance in 1984/85, corn stocks next October could reach 1.1 billion bushels, about 15 percent of total use. Since last year's carryout was only about 11 percent of use, conditions indicate an even lower price for corn. For the season, the farm price of corn is expected to average between \$2.60 and \$2.75 per bushel, compared with \$3.25 last season.

The 1984 sorghum crop was 866 million bushels, up 78 percent from 1983. Stocks of sorghum grain on October 1 were 251 million bushels, 150 million below a year earlier. Thus, the sorghum supply is 1.1 billion bushels, one-fourth larger than last year. Implied sorghum feed and residual use was a record 301 million bushels for fourth-quarter 1984. Marketing-year feed and residual disappearance is currently forecast at 500 million bushels. Although feed use should rebound this season because of lower prices and less competition from wheat, sorghum grain ending stocks should still climb to nearly 360 million bushels, because of the large harvest.

Global coarse grain trade for 1984/85 is expected to be almost 102 million tons (excluding intra-EC trade), up about 11 percent over last year. This trade is bolstered by large Soviet corn purchases and by strong import demand for corn and sorghum by South Africa due to the drought in that country. U.S. coarse grain exports are forecast at 60 million tons, the largest since 1980/81.

The Soviet Union has recently made large corn purchases from the United States. In addition, improved Argentine export supplies indicate that sub-

stantial shipments of corn and sorghum are likely to be sold to the Soviet Union for delivery in the latter months of the 1984/85. As a result, Soviet coarse grain imports for the year are expected to reach 25 million tons, breaking the record of 23.5 million set in 1980/81. South African imports are forecast at 1.7 million tons and for the second year in a row, South Africa is expected to be a net importer of coarse grains.

The United States continues to face stiff competition from other coarse grain exporters. Record coarse grain production in 1984/85 has permitted China to export sizable quantities of coarse grains. Japan has recently announced the purchase of about 1 million tons from China. Significant changes have occurred regarding the mix of grains sent to the major importing countries.

For example, although Japan's coarse grain imports are expected to remain at just over 21 million tons, decreased dependence on corn for mixed feed concentrate use and lower feed concentrate production have cut Japan's corn import needs. Sorghum imports, however, will likely be increased. Further, although South Korean imports are expected to remain unchanged from last year, the country continues to diversify its sources of supply. Therefore, the United States' role will likely diminish somewhat as a major supplier of coarse grains for South Korea. (David Hull (202) 447-8776 and James Cole (202) 447-8857)

• Oilseeds

The 1984 *Annual Crop Production* survey, released January 25, indicated final 1984 soybean production at 1,861 million bushels, a 41-million-bushel decline from November's estimate but still 225 million above last year. The market responded with an up-tick in the daily price (central Illinois) to \$6.01 a bushel. This was the first daily price above \$6.00 since December 3.

The price rise is likely to be a transient response to new information, rather than the start of a new trend; soybean export movement remains sluggish. Marketing-year export sales as of January 25 totaled 308.5 million bushels, compared with 368.8 million for the corresponding period a year ago. The estimate of U.S. soybean production for 1984/85 is 50.65 million tons, more than 1 million tons below earlier estimates, but still 6 million

tons above a year ago. Domestic crush is expected to reach 1,020 million bushels for the 1984/85 season and exports 735 million, virtually no change from 1983/84, despite a projected \$5.75 to \$6.45 season average price.

The late January soybean price upswing did not carry over into soybean product markets. Soybean meal prices ranged between \$129 and \$142 a ton from mid-December to January 28. At these low prices some additional meal was likely being put in storage, making fall-quarter soybean meal disappearance look stronger than it probably was. However, real demand interest has not reappeared from the cattle and hog sectors. An expansion in pork production is necessary to lift prices for soybean meal; the poultry sector alone cannot do it. Cheap corn gluten feed (primarily for dairy) is also limiting price potential.

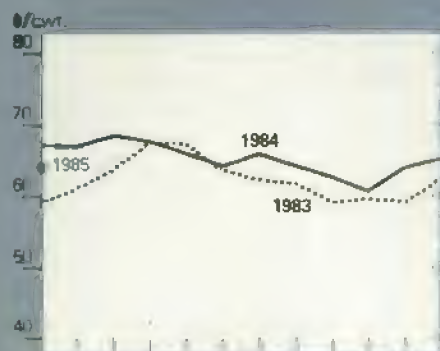
Soybean meal exports have improved since December, but the 1984/85 total as of January 25 still lags behind last season—1.7 million tons versus 2.5 million in 1983/84. Prices are projected to average \$130 to \$140 a ton for 1984/85.

Soybean oil demand is strong, and prices are holding up the whole soy market. Exports as of January 10 were 2.6 times as great as the same period last year. Oil demand worldwide is relatively high and 1984/85 U.S. domestic consumption of soybean oil is expected to grow by about 1 percent from 1983/84. The 500,000-ton drop in 1984/85 Soviet sunflowerseed output sharply reduced vegetable oil supplies and may explain the 25,000-ton sale of U.S. soybean oil to the Soviet Union. Soybean oil prices averaged 28 to 29 cents a pound in December and January. The season average price is expected to be 29 cents.

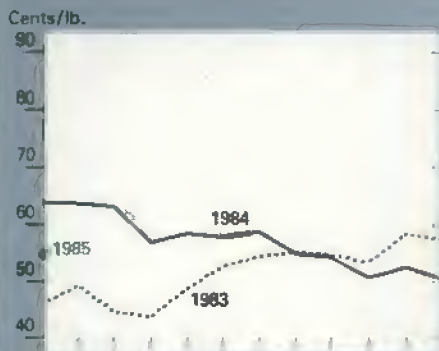
World production of oilseeds in 1984/85 has risen sharply from the drought-reduced 1983/84 level. Soybean production rose 8 percent, and major gains for cottonseed and rapeseed, 23 and 9 percent, respectively, also boosted total output. Argentina's soybean production estimate was raised 400,000 tons based on larger plantings of high-yield single-crop beans.

Commodity Market Prices: Monthly Update

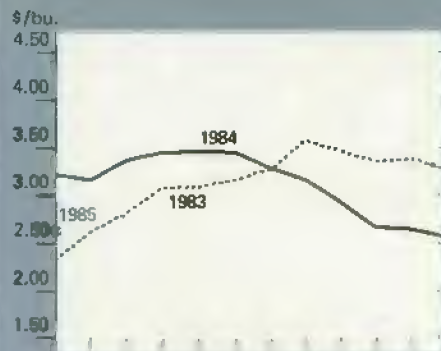
Choice steers¹



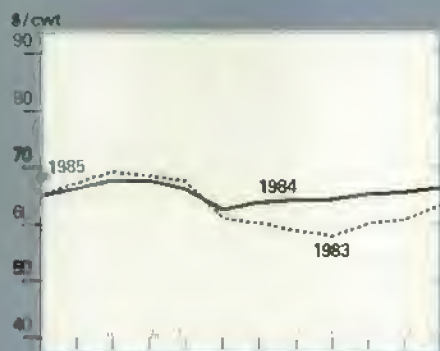
Broilers⁴



Corn⁶



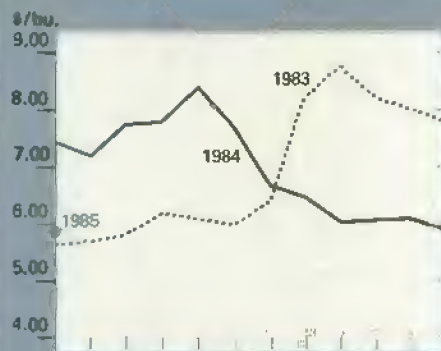
Choice feeder cattle²



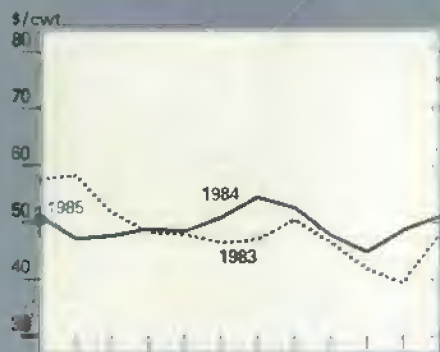
Eggs⁵



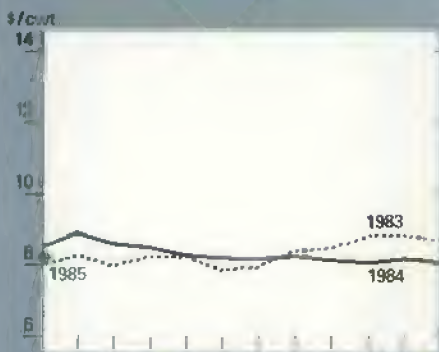
Soybeans⁷



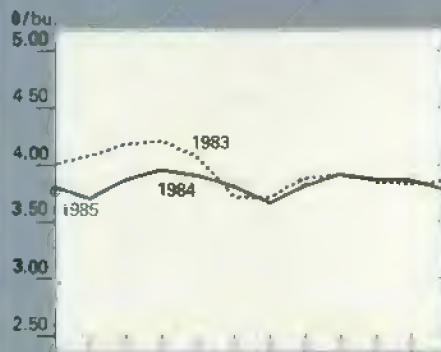
Barrows and gilts³



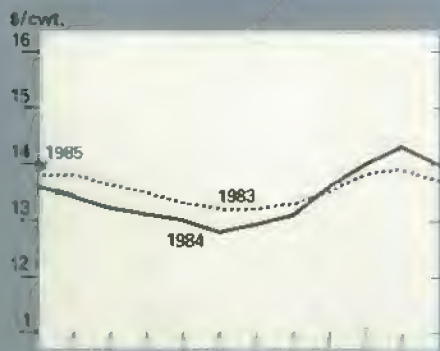
Rice (rough)



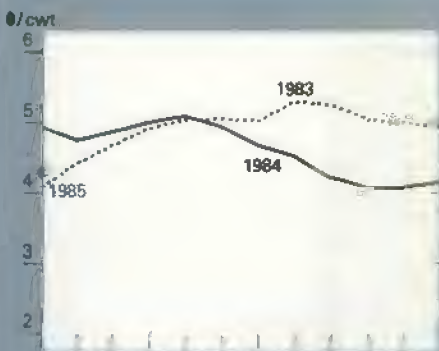
Wheat⁸



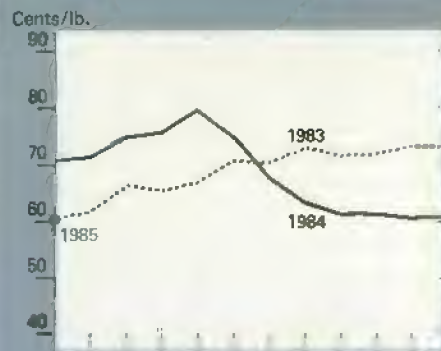
All milk



Sorghum grain



Cotton⁹



¹ Omaha. ² 600-700 lbs., Kansas City. ³ 37 markets

⁴ Wholesale, New York. ⁵ Grade A Large, New York.

⁶ No. 2 Yellow, Chicago. ⁷ No. 1 Yellow, Chicago.

⁸ No. 1 HRW, Kansas City.

⁹ Average spot market, SLM 1-16 "

Brazil's soybean production is estimated about 3 percent above a year ago. Brazil's soybean plantings have not declined as earlier expected because of prospects for better returns relative to other crops. Continued dry weather in Rio Grande do Sul and parts of Sao Paulo and Parana may affect yields, however.

World use of soybean meal in 1984/85 is expected to exceed last year by about 6.1 percent, with domestic use rising more sharply than foreign. Larger supplies of other protein meals are limiting the increase in foreign soybean meal use. This situation affects U.S. and foreign trade of soybeans and meal. New policies in Brazil may expand soybean exports and reduce soybean meal trade. In Argentina, the larger crop prospects indicate greater exports of soybeans and soybean meal, despite tax differentials, because not all of the crop can be crushed domestically.

In Western Europe, large rapeseed, wheat, and pulse supplies are limiting the need for imports. Also, lower EC sales of soybean meal to the Soviet Union are reducing the Community's crush and its need for U.S. soybeans. U.S. exports of soybeans to the EC are sharply below a year ago. Furthermore, U.S. soybean meal exports to the EC have seen nearly a 60-percent drop from a year earlier.

Soviet livestock numbers indicated a need for a large source of protein meal in 1983/84 and 1984/85. But, the Soviet Union has purchased little soybean meal from the EC or South America for either year. China supplied the Soviet Union with 200,000 tons of soybeans in 1984, and negotiations are underway for Sino-Soviet soybean trade in 1985. [Roger Hoskin (202) 447-8776 and Jan Lipson (202) 447-8855]

• Cotton

December, January, and February saw no major changes in cotton markets. Spot prices trended below 60 cents a pound; mill use declined; but exports to date exceed last season's total. Planted acreage in 1985 will probably drop below 11 million, and ending stocks will likely exceed 4 million bales both this season and next.

Mill use is falling at an annual rate of 14 percent, but the rate of decline is expected to moderate to 6 percent per year in 1985 and 1986. Mill use may

even rise modestly during the first quarter of 1985 because of stronger economic growth. This pattern would be consistent with mill use during previous business cycles. For example, mill use fell 11 percent during 1976, but then continued down during 1977 and 1978 by only 4 percent per year.

Mill use fell during 1984 because the textile inventory rebuilding phase of the recovery ended, and cotton textile imports rose from 2.3 million equivalent bales in 1983 to 3.1 million. Moderation in the decline in mill use during 1985 will reflect slower growth in textile imports, a rebound in the economy, and a leveling of business conditions once retail inventories stabilize.

Although cotton textile imports rose 35 percent in 1984, the worst is past. At seasonally adjusted rates, imports declined during October and November, and they are likely to grow only about 10 percent in 1985. The average rate of increase in cotton textile imports during 1960-83 was 6 percent per year, but the strong dollar will keep the rate of growth above average during 1985.

Planted acreage will probably fall below 11 million in 1985 because of lower prices and a higher acreage reduction requirement. The large deficiency and diversion payment rates may encourage participation by 75 percent or more of the acreage base. The base acreage will rise to 15.7 million in 1985 as new farmers, particularly in the Southeast and the Delta, seek to take advantage of rising yields, the boll weevil eradication program, and the 81-cent target price.

The greatest source of variation in cotton production comes from yields, not acreage. If 1985 yields fall to 1983's 506 pounds, production could decline to about 10 million bales. However, if 1985 yields remain above 600 pounds, as in 1984, production could stay at about 13 million bales. Planting begins in late February in South Texas.

The 1984 harvest finally ended on the High Plains of Texas and Oklahoma in February. Quality in 1984 was higher than in 1983. Over 25 percent of the 1984 crop graded middling or higher, compared with only 16 percent in 1983. Only about 5 percent of the 1984 crop graded lower than light spotted,

while last season about 10 percent of the crop was designated below light spotted. The staple length of the 1984 crop was also longer, by about 1/32 inch on average, than 1983.

World cotton production for 1984/85 is estimated at 81.8 million bales. The Soviet crop is estimated at its lowest level in 10 years—11.7 million bales. Poor harvest weather and inefficient agronomic practices are contributing to Soviet difficulties. China's final production figure remains a mystery. The estimate stands at 26 million bales.

Global trade is pegged at 20.7 million bales. There is pressure for Brazil to increase exports or face large domestic stocks caused by sharp production gains. China's share of the import market in important textile-producing nations continues to grow. For example, China is expected to capture almost half of Hong Kong's cotton imports, in contrast to last year's 9 percent. Thailand has become another outlet for Chinese cotton. As a result, the U.S. share in both Hong Kong and Thailand is expected to fall. India is also under pressure to export long staple cotton because the domestic industry cannot absorb this year's output.

U.S. cotton exports in 1984/85 are estimated at 6.5 million bales, down from 6.8 million last season. At seasonally adjusted annual rates, exports averaged 6.9 million bales during September-January as relatively large U.S. supplies and low export freight rates boosted shipments. However, more intensive competition from other exporting countries since early January is reducing U.S. export potential.

The production shortfall in the USSR may again benefit U.S. exports. The last 2 years have seen the Soviets buy U.S. cotton in the first quarter of the calendar year. Low prices, cheap export freight rates, good quality, assured availability, and export credit guarantees are also helping to keep U.S. exports up.

World cotton consumption is expected to increase about 1.5 percent from last year. With a steadily improving world economy, abundant supplies, and depressed raw cotton prices, mill use should improve. As a group, textile producers in Asia are projected to at least keep pace with last year. Improved mill use is forecast for Eastern and Western Europe. [Terry Townsend (202) 447-8444 and Richard Cantor (202) 447-8054]

● Tobacco

Based on the January crop report, production of all U.S. tobacco in 1984 is estimated at 1.74 billion pounds, 22 percent above 1983. Flue-cured production is estimated at 865 million pounds, up 5 percent. Burley production is placed at 732 million pounds, up 52 percent. Because of marketing quotas restrictions, flue-cured sales fell about 20 million pounds short of production, and burley sales are likely to fall around 50 million pounds short.

Burley auction sales through February 13 averaged \$1.88 per pound, up 10 cents from a year earlier. Burley price supports are unchanged, but crop quality is better and demand is stronger than for the drought-stressed 1983 crop. However, despite the better quality crop, prices of dark fire-cured and dark air-cured as of February 13 were averaging 3 to 38 cents a pound lower than a year earlier.

Through the same date, about 196 million pounds of burley tobacco had been taken under loan—30 percent of producer sales. Loan takings of dark fire-cured and dark air-cured are up sharply from a year earlier. Around 35 percent of dark tobacco sales are going under loan.

Exports of unmanufactured tobacco in 1984 were 4 percent higher than a year earlier. Flue-cured exports were up 13 percent and burley exports down 19 percent. Exports of Virginia dark-fired, dark air-cured, and cigar tobaccos were up, while Kentucky-Tennessee dark-fired and Maryland tobacco were down.

U.S. tobacco imports for consumption (duty paid) in calendar 1984 were 21 percent below a year earlier. Much of the decline in imports in 1984 can be attributed to a tariff reclassification that resulted in unusually large imports for consumption in 1983.

The International Trade Commission (ITC) investigated whether flue-, fire-, and dark air-cured and burley tobacco are imported under such conditions that render ineffective or materially interfere with the USDA tobacco programs. The ITC held hearings on January 3 and 4. On February 1, the ITC voted 4-1 against placing import quotas on flue-cured and burley tobacco.

The vote was 5-0 against imposing quotas on cigar, dark-fire cured, and dark air-cured tobacco. USDA and tobacco grower groups had requested the quotas to protect the price support program. The ITC recommendation has been sent to President Reagan, who can accept or reject the findings. [Verner N. Grise (202) 447-8776]

● Peanuts

The 1984/85 U.S. peanut supply is estimated at a record level of slightly over 5 billion pounds, up 21 percent from last year. Peanut use is expected to increase but not nearly enough to offset larger supplies. A carryout of 1.3 billion pounds is currently estimated. Even with the record carryout, producers intend to plant over 1.5 million acres of peanuts in 1985, down only slightly from 1984 plantings. Peanut exports were 24 percent above year-earlier levels during the first 5 months of the marketing year. This pace is expected to diminish, with total exports for 1985 forecast at about 825 million pounds.

The 1984/85 world peanut crop is expected to be 19.6 million metric tons (inshell basis), up 4 percent from last year despite an 11-percent decline in India's crop. India is still the world's largest producer. In addition to the United States, China and Burma are estimated to have had record crops. Low prices and drought have reduced Sudan's harvest well below the average production levels prior to 1982/83. After 2 years of drought, South Africa's crop is expected to more than double.

World peanut exports during 1984/85 are estimated at 1 million metric tons, up 4 percent from last year. The United States is expected to be the major exporter, accounting for 35 to 40 percent of the total, followed by China and Argentina. India's hand-picked select peanut exports during 1984/85 are estimated to be down from last season because of increased competition and aflatoxin problems. [Duane Hacklander (202) 447-8776]

● Fruit

On February 1, the U.S. citrus crop was forecast at 10.4 million tons, down 7 percent from January and 3 percent from 1983/84. The reduction from the January 1 forecast was due mainly to the freeze that hit Florida on January 21 and 22. Reduced crops were indicated for grapefruit, oranges, tangerines, and Templeles.

The forecast for U.S. orange production is 161 million boxes, down 8 percent from January 1 and 5 percent from last season. The Florida orange forecast is now 104 million boxes, 13 percent under January and 11 percent below last season. The harvest of early and midseason varieties is expected to be 20 percent less than last season; however, a 2-percent larger Valencia crop is still anticipated, even with a 20-percent reduction from the January 1 estimate.

California's orange crop is forecast at 54 million boxes, up 12 percent from last season. Increased Valencia production will more than offset the decline in the navel crop. Arizona's forecast for all oranges, 2.65 million boxes, is 47 percent above last season's crop. No commercial quantities of oranges are expected this season from the 1983 freeze-damaged groves in Texas.

Even prior to the January cold snap, orange prices this season had increased sharply from last year because of smaller supplies for early, midseason, and navel oranges and good processor demand. Then, the freeze further strengthened fresh orange prices. Immediately following the freeze, f.o.b. prices for fresh Florida oranges jumped from \$8 to \$8.75 a box. The reduced Florida supplies for the fresh market and smaller California navel production will keep orange prices well above a year ago through early spring.

Because of uncertainty surrounding supplies of California-Arizona navel oranges, reduced supplies of Florida oranges, and substantially higher parity prices for California-Arizona navels, USDA announced a suspension of the prorate regulation of the California-Arizona navel orange marketing order, effective January 31, 1985. With suspension of the prorate regulation, prices for California-Arizona oranges will likely remain higher than last season because of good demand and smaller supplies. However, USDA's Agricultural Marketing Service will monitor the situation and consider reinstating regulations if substantial changes occur in supply and demand.

In the area of frozen concentrated orange juice (FCOJ), the Florida freeze reduced juice yields to 1.33 gallons a box from the January forecast of 1.46 gallons at 42 degree Brix equivalent. However, both forecasts are still

higher than last season's 1.29 gallons. Overall, fruit losses and lower yields will likely cut the 1984/85 FCOJ pack moderately from a year earlier. Even with beginning stocks well above last season, the freeze will cause small supplies this season.

Before the freeze, canners' list prices for unadvertised brands of FCOJ were quoted at \$5.04 a dozen 6-ounce cans, f.o.b. Florida canneries. Although most major canners withdrew from the market immediately after the freeze, they reentered with a price hike to \$5.34. Demand for FCOJ is likely to remain relatively good in view of the strengthening economy. Thus, imports, mostly from Brazil, will remain heavy, and consumers are likely to pay higher prices. In December 1984, U.S. retail prices for 16-ounce cans of FCOJ averaged \$1.65, up almost 20 percent from a year earlier.

The grapefruit forecast, excluding fruit from California's "other areas," is 49.8 million boxes, 1 percent above last season (including Texas grapefruit). The Florida grapefruit forecast is 42 million boxes, down 6 percent from the January estimate, but still up 3 percent from last season. The prospective crops in California and Arizona have increased 23 and 76 percent, respectively, from last year.

Grapefruit prices have been strong and are expected to remain so throughout the season because the freeze has reduced supplies. Also, demand for fresh grapefruit is likely to rise because of the overall strength of the economy. Processor demand will likely be bright because of good movement and smaller beginning stocks of processed grapefruit products. In January, on-tree returns for U.S. grapefruit for all sales averaged \$3.86 a box, compared with \$2.14 a year earlier.

Lemon production in Arizona and California is estimated at 25.8 million boxes, down 3 percent from the January forecast, but 21 percent above last season. Despite the larger crop, lemon prices are strong. However, increases in shipments have pushed prices down from early season highs. Prices are expected to fall further during spring. In January, on-tree returns for U.S. lemons for all sales averaged \$3.46 a box, up from \$1.24 a year earlier. [Ben Huang (202) 447-7290]

•Vegetables

During February, prices for fresh-market vegetables climbed for the third consecutive month. The 3-month average index of f.o.b. prices for fresh vegetables was 108 (1977=100) for November 1984-January 1985, 28 percent below a year earlier and 21 percent below the previous 3-month average, because good growing weather and increased acreage produced above-average supplies. Beginning with the third week of January, however, freezing temperatures in Florida cut potential production of fresh vegetables for the remainder of winter-quarter 1985.

On January 21-22, Florida's low temperatures ranged from 8 degrees Fahrenheit in Hastings to the 30's in the southeast. In Hillsborough and Manatee, crops of cabbage, potatoes, escarole, lettuce, radishes, cauliflower, and tomatoes were severely damaged. Salvage harvesting was reported for carrots, radishes, and leaf items. From the Everglades and Immokalee areas southeast to Dade County, the 20- to 30-degree temperatures caused salvage harvesting of sweet corn, tomatoes, peppers, and eggplant. Heavy losses of cucurbit crops (squash, cucumbers, and watermelons) will delay their production until April. Snap bean losses in Delray-Pompano are estimated at 90-95 percent.

This freeze was more severe and widely spread than the late-December 1983 freeze in Florida. Therefore, f.o.b. prices for fresh vegetables will likely increase more now than after December 1983, but may not reach last season's high levels.

This season, if Florida's initial winter-quarter harvest expectations had been realized, the increased production would have held down prices and likely strengthened the State's competitive position against Mexico. Now, Mexico's share of the fresh vegetable market could increase for the third consecutive season. Also, Florida growers who harvest during the next 1 to 2 months face increased difficulties finding transportation resources, because of the shift to Western U.S. supplies. [Shannon Hamm (202) 447-7290]

•Sugar

USDA announced January 10 that the U.S. sugar import quota period for 1984/85 will be extended 2 months, through November 1985, in order to correct an imbalance in the domestic sugar supply situation.

Monthly average domestic prices for raw sugar declined steadily from 22.06 cents a pound (c.i.f., duty/fee-paid, New York) in June to 20.7 in January. An import fee of 0.2875 cent a pound, raw sugar, was triggered and took effect January 1, but prices continued to weaken, to as low as 20.2 in early February. A fee increase of 1 cent was triggered in early February, raising the total fee on imported raw sugar to 1.2875 cents a pound, effective February 12.

The U.S. retail price of refined sugar (all package sizes) averaged 36 cents a pound in December, down marginally from November. Retail prices averaged 36.3 cents in 1984, compared with a 1983 average of 36.2. As domestic raw sugar prices strengthen in the coming months, retail prices are also expected to rise.

U.S. sugar production in 1984/85 is estimated at 5.95 million tons, raw value, up from the poor output of 5.60 million in 1983/84. Actual production could be lower, though, depending on the extent of freeze damage to sugarcane in Florida and Texas during January.

Total U.S. beet sugar production next season is estimated at 2.9 million tons, raw value, but it could range between 2.4 and 3 million tons. With a recovery in the Louisiana crop, cane sugar production is forecast at 3 million tons. Therefore, U.S. beet and cane sugar production for 1985/86 is projected at 5.9 million tons, with a range of 5.4 to 6.1 million.

Declining U.S. imports of raw sugar, largely reflecting the drop in U.S. sugar use in favor of high fructose corn sirup (HFCS), have lowered utilization rates for U.S. raw sugar refineries. Five refineries have closed in the last 5 years, one of them in 1985.

U.S. consumption of HFCS in 1984 is estimated at 4.3 million short tons, dry basis, up 700,000 from 1983. Consumption is expected to rise to 4.9 million in 1985.

World raw sugar prices (f.o.b. Caribbean) fell to 3.5 cents a pound in December, the lowest monthly average in 15 years. Prices continued weak in January, averaging 3.6 cents. World prices averaged 5.2 cents in 1984.

down from 6.7 in 1983. The Russian sugarbeet crop could be substantially larger than earlier estimated, adding to the global sugar surplus.

The world raw sugar price is still expected to increase in 1985, but much depends on 1985/86 world sugar-crop prospects. World sugar consumption is not expected to rise much in 1985.

The 1977 International Sugar Agreement (ISA) expired December 31. An ISA with no economic provisions, serving mainly as an information forum, took effect provisionally in January. Special stocks held by exporting ISA member countries may now freely enter sugar supply channels, adding to downward price pressure. [Robert D. Barry (202) 447-8666]

Upcoming Economic Reports

Title	Summary Released
Livestock & Poultry	March 1
World Ag Supply & Demand	March 11
Sugar & Sweeteners	March 13
Rice	March 15
Agricultural Outlook	March 18
Tobacco	March 20
World Agriculture	March 21
Dairy	March 22
North America & Oceania	March 25

Summaries are available on some computer networks on the dates indicated; the full reports are also released electronically 2 to 3 days later. For details on the summaries, call (402) 472-1892 or (301) 588-1672. Full reports, text and tables, are provided by the system on (402) 472-1892.



World Agriculture & Trade

WORLD ECONOMIC OUTLOOK

The resurgence of U.S. economic growth in fourth-quarter 1984 and the likelihood that U.S. growth in 1985 will average 3.5 to 4 percent bodes well for the world economy. Foreign economic growth in 1985 will probably exceed 3 percent for the second year in a row, perhaps equaling the 1984 estimate of 3.2 percent.

World trade is expected to continue expanding, as import demand in the United States, Japan, and other dynamic economies fuels export sales in the rest of the world. World inflation is likely to remain moderate beyond 1985, assuming that monetary growth continues fairly low. Interest rates, starting the year at their lowest levels in almost 2 years, will probably average about the same as the 1984 composite of 8.6 percent.

Strong growth in exports, slow increases in import costs, and reduced interest rates are helping to spur recovery in the developing countries. Expansion has been the strongest in East Asia, largely because of export growth, and the 1985 outlook appears very promising for this region. Debt reschedulings in 1984, most notably for Mexico, have substantially eased foreign exchange constraints. Factors causing concern for the developing countries' 1985 outlook include prospects for continued low commodity prices, slow increases in banking loans, and persistent strength in the dollar.

Perhaps the major unknown in the 1985 outlook, as in the past several years, is the value of the dollar. By the end of January, the dollar had already advanced from its 1984-ending value. Several factors, particularly the expectations of strong growth in the U.S. economy and world trade, imply that the dollar will remain strong through 1985. Other factors, notably the large U.S. trade deficit, suggest that the dollar could decline over the year.

Trade With U.S. Strongly Affects Foreign Countries' Growth Pace

Economic growth in 1984 closely resembled regions' trade patterns with the United States; countries that typically export a lot to the United States—such as Japan and Canada—benefited through higher exports and increased investment in their export industries. Other countries, notably those in Europe, enjoyed smaller gains from the surge in U.S. import demand in 1984 because they shipped to the United States a much smaller portion of their total exports.

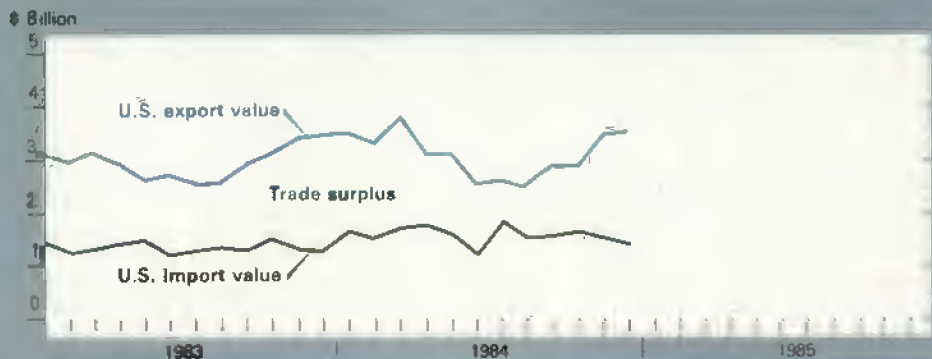
U.S. expansion stimulated several countries from first-quarter 1983 through second-quarter 1984. For Canada, Japan, West Germany, and the United Kingdom (U.K.), exports to the United States as a percentage of each country's total exports increased. The gains were especially noteworthy for Japan and the U.K. The developing countries of East Asia also benefited greatly from strong U.S. demand for imports.

U.S. import growth in 1985 will likely slow somewhat from the 26-percent expansion of 1984. Even if growth does slow, U.S. buying will still be sufficient to enable countries to expand exports both to the United States and, indirectly, to other countries whose economies have already grown by increasing their exports to the United States. The countries that are likely to benefit the most from continuing U.S. expansion are those that have benefited during the past several years: Canada, Japan, and East Asia.

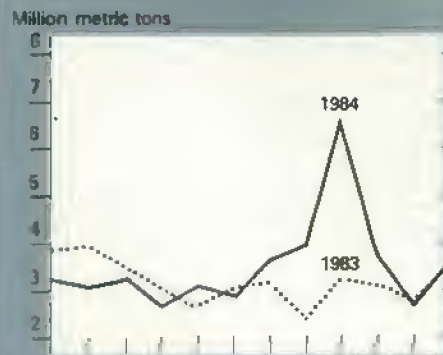
Export growth for all industrialized countries, including the United States, averaged about 9 percent last year. Investment growth in the foreign industrialized countries averaged much lower than export growth, running only 3 to 4 percent. Much of the in-

U.S. Agricultural Trade Indicators

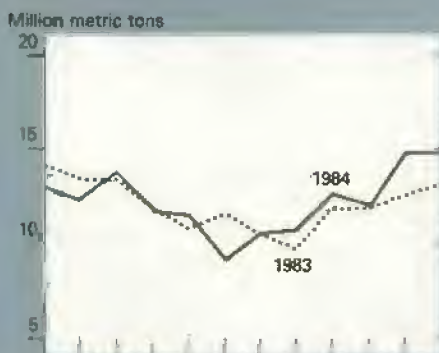
U.S. agricultural trade balance



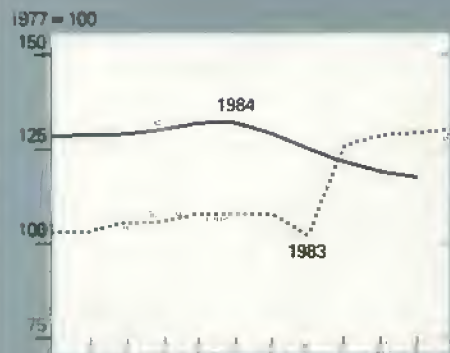
U.S. wheat exports



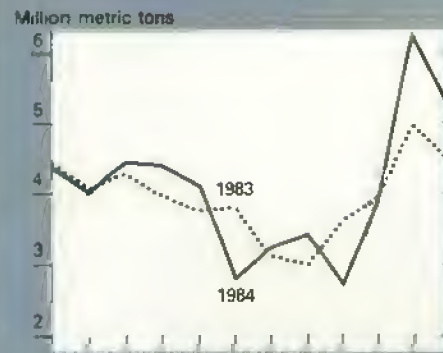
Export volume



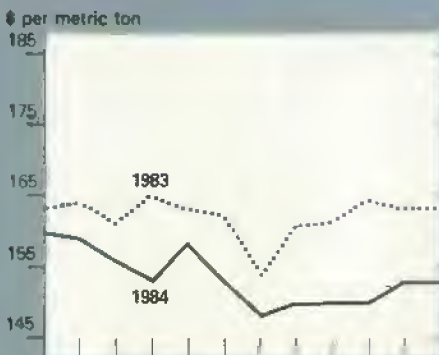
Export prices



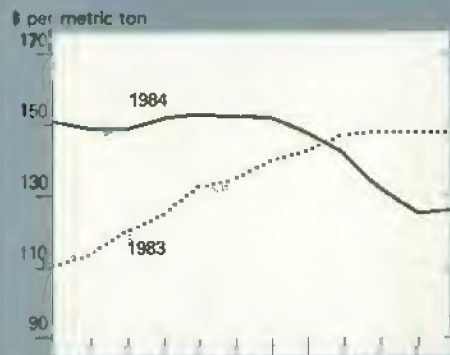
U.S. corn exports



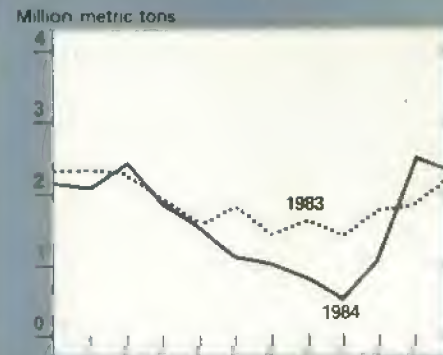
Wheat export unit value*



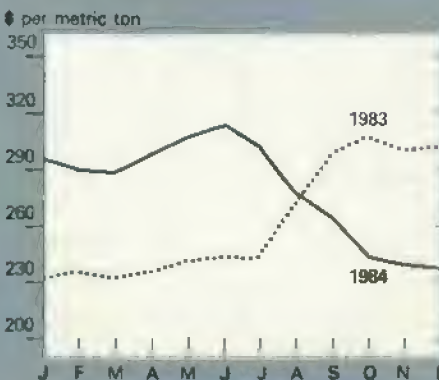
Corn export unit value*



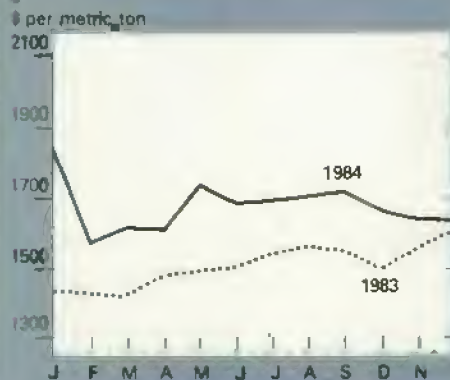
U.S. soybean exports



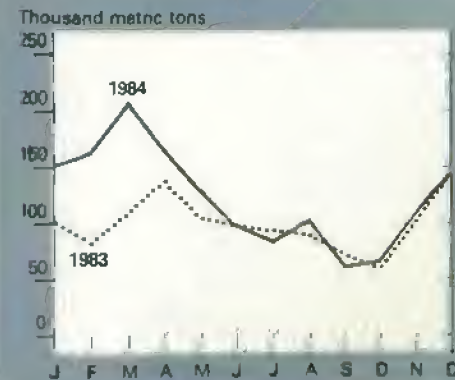
Soybeans export unit value*



Cotton export unit value*



U.S. cotton exports



*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.

vestment growth was in export-oriented industries. Consumption growth lagged in all countries except Canada and perhaps the U.K., averaging less than 3 percent for the world. Government spending was restrained in most countries, as governments strove to lower fiscal deficits or maintain surpluses.

This year's expected slowdown in U.S. import demand growth will probably more than offset a slight acceleration of import growth in some other markets. Investment growth will likely remain sluggish, especially in Europe. Prospects for continuing weak demand there do not provide much incentive for businesses to expand output. The outlook for consumption in Europe is similarly weak. Low wage gains and continuing high unemployment imply only modest gains in consumption.

Foreign Governments' Goals: Moderate Inflation, More Jobs

Foreign officials' policy concerns this year are likely to be the same as those of the past several years: keeping inflation moderate and reducing unemployment. Inflation rates continue stable in all major foreign economies. The average rate by the end of 1984 for Canada, Japan, France, West Germany, Italy, the Netherlands, and the U.K. was 3.9 percent, virtually the same as in August. From January 1983, the average inflation rate for this group of seven countries had fallen 1.8 points, from 5.6 percent.

Continuing concern over inflation can be seen in the reduction of monetary growth rates during the past year. Estimated money growth for third-quarter 1984 averaged 4.8 percent for the major foreign countries. This represented a steady decline from 9.4 percent a year earlier, 6.7 percent in fourth-quarter 1983, 5.7 in first-quarter 1984, and 6.0 in second-quarter 1984. Monetary growth in 1985 is likely to remain in the same range as in 1984, averaging 5 to 9 percent. Based on this assumption, inflation will likely remain stable in low-inflation countries and could decline further in the higher-inflation countries such as France and Italy.

Growth in Developing Countries Is Slow, Unsteady

In the developing countries as a group, conditions are improving slowly. Exports are increasing at their fastest rate since the economic slowdown be-

Exports to the U.S. as a Percentage of Countries' Total Exports						
	1983.1	1983.2	1983.3	1983.4	1984.1	1984.2
Canada	72.0	68.8	69.3	71.1	75.9	72.7
Japan	26.3	28.8	30.3	31.7	32.4	35.9
West Germany	2.7	3.0	3.1	3.9	4.0	3.7
U.K.	11.7	14.0	15.4	13.6	13.0	14.5

gan in 1980, and debt reschedulings have eased the cash flow of some countries, notably Mexico. Asia has registered the fastest export growth, followed by Latin America and Africa, respectively.

Exports, in dollars, rose 10 percent for the oil-importing countries from second-quarter 1983 to second-quarter 1984, the most recent period reported. Exports of oil-exporting countries increased almost 14 percent. This performance compared well with 1981-83 (no growth for the oil-importing countries and 16-percent annual decline for the oil exporters), but poorly with 1975-1980 (17-percent annual growth for the oil importers and 18-percent annual growth for the oil exporters).

Average import costs to the less developed countries (LDC's) have been declining recently, implying that a given level of export revenue is able to purchase a higher volume of imports. Lately, import costs have declined so much relative to export sales that the recent growth in exports yields almost the same purchasing power as during 1975-80. Rather than greatly expanding purchases, however, many developing countries are using this foreign exchange to repay international debts.

Weak Spots: Low Export Prices, Small Loan Increases

Despite improvements in exports and debt repayments for many developing countries, continuing weaknesses can be seen in low, though rising, income growth rates; depressed commodity prices; and low rates of increase in bank loans. Income growth rates of 3.1 and 3.7 percent for 1984 and 1985, respectively, appear strong in the light of the average 1.3-percent rate of 1981-83. But, in comparison to the 1970's rate of 5.2 percent, the projected growth rates are very low and imply sluggish import demand through 1985.

Commodity prices could play a major role in the ability of many nations to gain foreign exchange and repay debts. Some big developing countries—including Brazil, Mexico, and the Philippines—and virtually all small LDC's rely on commodity exports for a large share of their foreign exchange earnings. Prices for these traded commodities, excluding petroleum, declined 10 percent from March, the peak month in 1984, to November. At November levels, commodity prices are only 2 percent above the lows of late 1982.

Loans from banks in the industrialized countries to less developed countries continue to increase very slowly; they grew only 1.7 percent in second-quarter 1984. Furthermore, loan increases averaged only 1 percent a quarter from first-quarter 1982 to second-quarter 1984; the fastest rate was 2.8 percent in fourth-quarter 1983.

By contrast, during 1977-81 quarterly growth rates for such bank loans averaged 6 to 7 percent and annual rates averaged 27 percent. Since 1981, the fastest 12-month rate was recorded in the second quarter of last year—up 5.5 percent from a year earlier. Continuing slow growth in these banking inflows will keep foreign exchange holdings and imports from rising much, especially if export growth does not accelerate.

Dollar Could Remain A "Safe Haven"

After more than 4 years of nearly unabated increases in the dollar's value, many forecasters no longer seem inclined to predict its imminent descent. The factor that has been referred to time and again as the cause of expected collapse in the dollar is the trade deficit, which expanded to \$123 billion in 1984 and will remain high this year. The trade deficit may be putting some downward pressure on the dollar, but the fact that the deficit increased fourfold from 1981 through 1984 while the

dollar appreciated 50 percent suggests that other forces have been more influential in determining the currency's value and will continue to be influential in 1985, if not beyond.

These forces could include the following:

- Growth prospects for the U.S. economy are probably better than for most **anywhere** else. International investors, including Americans who might otherwise invest abroad, are likely to continue placing their funds in U.S. investments for capital gains even if U.S. interest rates decline further.
- World trade is projected to increase over the next year and beyond. Because of worldwide needs to repay loans and to import petroleum and capital goods, the world's exporters are very likely to require payment in dollars, driving up the demand and price for dollars.
- Investors may continue to view the United States as a "safe haven" for their funds, especially if they perceive high financial risks in the developing world.
- Inflation in the United States is likely to remain below the average for all industrialized countries. U.S. assets, therefore, will likely hold their value relative to other financial assets.

[Art Morey (202) 447-8470]



General Economy

The 1985 U.S. economic outlook continues to brighten, with estimates of real growth generally revised toward the upper end of the 3.5 to 4 percent range. Following a slowdown in the second half of 1984, the economy appears to be entering the new year with renewed momentum.

Because the civilian unemployment rate is still above 7 percent and capacity utilization is at about 82 percent, there is further room for above-trend real growth without significant inflationary pressures. Lower interest rates last fall should spur growth in housing and consumer durables through the first half of 1985. However, the Federal deficit and the trade deficit continue to rise.

Consumer and industrial demand for farm products will again grow at above-average rates, although the largest gains will continue to be in restaurant spending and other service additions to raw farm products. Actual demand at the farm level is expected to increase 1.5 to 2.0 percent—not enough to remove burdensome supplies of major program crops. A continued strong dollar will partially offset increased foreign economic growth. As a result, export volume is expected to increase only 1 to 2 percent. No major upsurge in inflation or interest rates is expected, so increases in production costs will remain moderate.

Labor and Consumer Markets Show Renewed Vigor

Now that the temporary growth pause is over, labor and consumer markets

are showing renewed strength. January civilian employment grew by 118,000 persons from December and was up 3 percent from a year earlier. Meanwhile, the civilian labor force grew by a seasonally adjusted 411,000 in January and was up 2.3 percent from a year earlier. Thus, growth in the labor force partially offset gains in employment, so the unemployment rate fell only 0.6 points, from 8 percent in January 1984 to 7.4 percent in January 1985. For 1985, growth in the labor force should be about the same as last year, but gains in employment will be less. The unemployment rate is expected to fall about 0.5 percentage points over the year.

Economic growth, increased employment, and indexing of tax brackets to inflation should combine to raise real disposable personal income this year about 3 percent per capita. Although less than 1984's spectacular 6 percent, it will be above-average growth for income and consumption. The strong movement is shown by December's 0.4-percent rise in real personal consumption expenditures and 0.9-percent gain in real disposable income.

Investment, Productivity To Continue Rising

The recent stock market rally, the past decline in interest rates, sustained growth in final demand, and tax breaks for business investment should all make 1985 another strong year for investment growth. Following a 2-percent gain in 1984, real plant and equipment expenditures are expected to rise 1 percent this year.

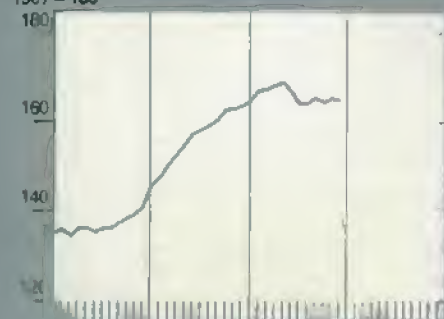
Investment is especially important to the economy because it plays a double role. In the short run, increased plant and equipment expenditures act as a demand stimulus and lead to greater production and employment. In the long run, investment adds to capital stock, increasing productive capacity. This is especially true when new investment leads to technological advances, making possible a further gain in aggregate supply.

Productivity gains represent the only long-run source of noninflationary growth in per capita economic output and income. Thus, a continuation of the 1983-84 surge in investment bodes well for future productivity growth. Output per man-hour in the nonfarm business sector rose about 3 percent last year and is expected to rise about 2 percent in 1985.

General Economic Indicators

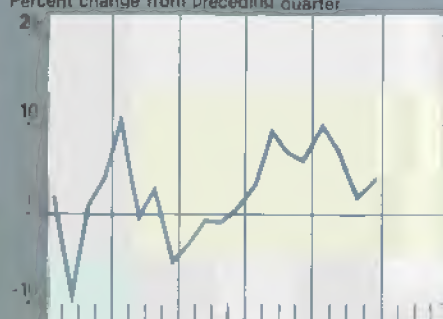
Composite leading economic indicators

1967 = 100



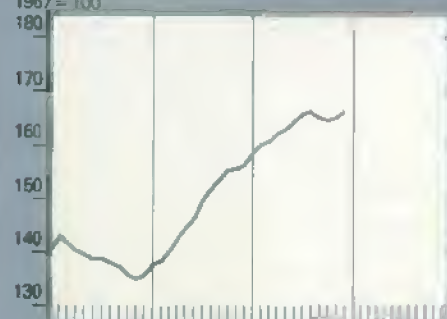
Gross national product¹

Percent change from preceding quarter



Industrial production

1967 = 100



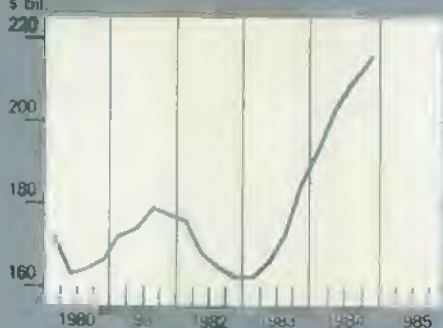
Disposable income and consumption expenditures²

\$ bil.



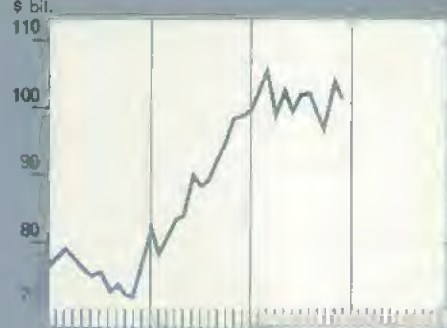
Nonresidential fixed investment²

\$ bil.



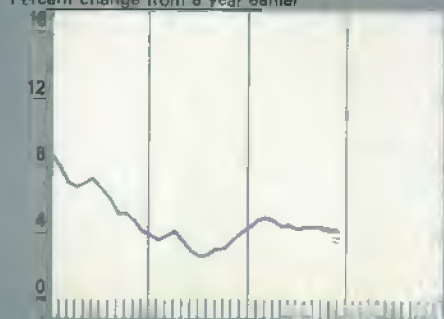
Manufacturers' durable goods orders³

\$ bil.



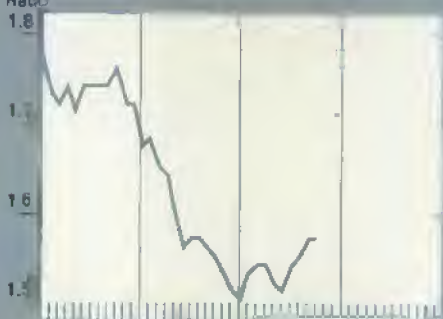
Consumer price index

Percent change from a year earlier



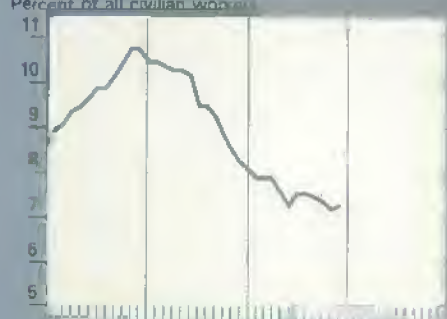
Inventory/sales⁴

Ratio



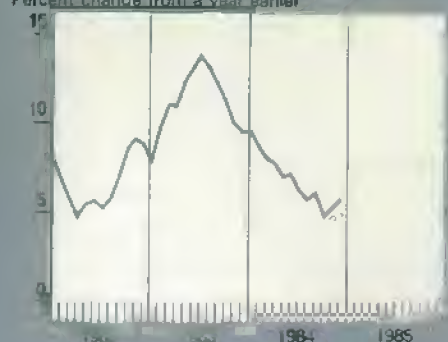
Unemployment rate⁵

Percent of all civilian workers



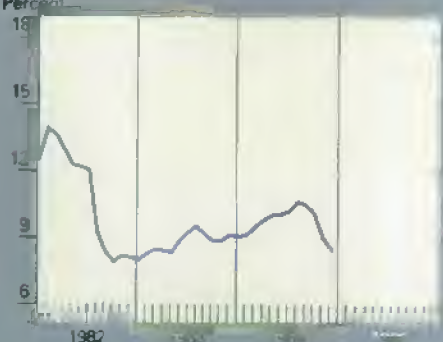
Money supply (M1)

Percent change from a year earlier



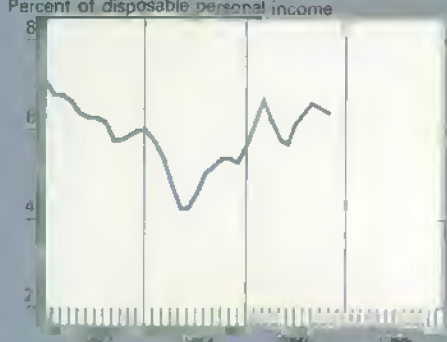
3-month treasury bill rate

Percent



Savings rate⁶

Percent of disposable personal income



¹Percent change from previous quarter in 1972 dollars. Seasonally adjusted annual rates. ²Billions of 1972 dollars, seasonally adjusted at annual rates.

³Nominal dollars. ⁴Manufacturing and trade, seasonally adjusted; based on 1972 dollars. ⁵Seasonally adjusted.

⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates.

Sources are: U.S. Dept. of Commerce, U.S. Dept. of Labor, and the Board of Governors of the Federal Reserve System.

Increases in Inflation, Interest To Remain Moderate

As the economy enters its third year of expansion, we would normally see strong upward pressure on inflation and interest rates. However, 1985 is expected to be an exception, with only moderate upward pressure forecast. On the inflation outlook, unit labor costs continue moderate and raw commodity prices are still weak—partly because of the strong dollar. Money growth has been moderate and there appears to be room for noninflationary expansion. Most forecasts put inflation at about 4 percent this year—nearly the same as last.

As for interest rates, recent declines will probably not continue, yet no severe upward pressure is foreseen either. The most likely path is for rates to be fairly flat through spring, then encounter moderate upward pressure during the summer and fall. As long as the economy remains in a noninflationary expansion and the United States has access to foreign capital, the large Federal deficit will not put strong upward pressure on interest rates.

Foreign Capital Is Key to Rosy Scenario

However, this rosy inflation and interest rate outlook depends on continued increased net deposits of foreign capital—implying a continued strong dollar and a large balance-of-trade deficit. If the entire Federal budget deficit had to be financed internally, interest rates would have to rise sharply to equate supply and demand for savings. Internal financing would be required if foreign investors lost confidence in U.S. currency—for either political or economic reasons. A large net withdrawal of foreign capital would cause the dollar to fall—seemingly good news for export-oriented and import-competing industries. However, interest rates would rise and likely choke off the general economic expansion.

Since the outlook for continued growth without inflation depends on a continued strong dollar and large trade deficit, the economy as a whole is prospering at the expense of export-oriented and import-competing industries. Downside risks now include a potential banking crisis from deflating commodity prices—such as agricultural products and raw energy inputs—as well as from the well known debt problems among the less developed countries. [Paul Prentice (202) 447-7430]



Inputs

Fertilizer Use Will Be Unchanged, But Exports Will Rise

Fertilizer use is likely to remain unchanged in 1984/85. Use is forecast at 11.1 million tons for nitrogen, 4.9 million for phosphate, and 5.8 million for potash.

Average fertilizer prices this spring could fall below last year, as plentiful supplies reduce fall-to-spring price increases. Prices of nitrogen fertilizer materials are the most likely to reach year-earlier levels. Price increases for phosphate and potash materials will be dampened by a buildup in inventories in late 1984 and early 1985.

The continued recovery in world economic activity will strengthen fertilizer demand. U.S. nitrogen exports could be up about 10 percent on the strength of increased diammonium phosphate and urea shipments, and phosphate exports may rise 11 percent. U.S. potash exports, although small, could increase as much as 10 percent if Brazil continues to import during 1984/85.

Domestic supplies of all fertilizer are expected to be adequate in 1984/85. U.S. production of nitrogen is projected to be up about 4 percent and phosphate up 5 percent, to accommodate gains in U.S. exports. However, phosphate output could slow later in 1984/85, because phosphate movement has not kept pace with production. Diammonium phosphate inventories are higher than a year earlier.

Nitrogen import forecasts for 1984/85 indicate little change from a year earlier. U.S. potash imports could be up 1 percent.

Farm fertilizer prices in May 1984 averaged about 7 percent higher than a year earlier, but declined more than 5 percent by December. Anhydrous ammonia and diammonium phosphate prices dropped about 9 percent from May to December, while prices of triple superphosphate and potash fell 10 percent by the end of the year. However, December 1984 prices for urea, ammonium nitrate, and nitrogen solution remained close to May levels.

Higher fertilizer application rates and increased crop acreage contributed to increased fertilizer use in 1983/84. Nitrogen application rates on corn and wheat were at record levels, and potash application rates for corn and soybeans also hit alltime highs. The average nitrogen application rate reached 138 pounds an acre on corn. Average phosphate and potash application rates increased to 65 and 87 pounds an acre, respectively. [Paul Andrienas (202) 475-4787]

1985 Farm Machinery Sales Similar to 1984

U.S. farmers are forecast to purchase \$7.35 to \$7.65 billion of machinery in 1985, close to the estimated \$7.4 billion for 1984. Current demand projections for 1985 are affected by the continuing poor financial conditions in the farm sector. Two other factors will have a significant influence on farm machinery demand. Price competition could be enhanced by the merger between Tenneco's J.I. Case and International Harvester's (IH) farm equipment division. Many experts believe Case-IH will attempt to liquidate IH's inventory of high-powered tractors and combines. Farmers who are in relatively good financial condition could benefit from this increased competition. Also, the direction of future farm policy could influence the long-term demand for farm machinery.

Fewer tractors and less harvesting equipment were purchased in 1984 than in recent years. Unit purchases of two-wheel-drive tractors over 40 horsepower (hp) and all four-wheel-drive tractors were 26 and 51 percent, respectively, below the 1980-83 annual averages. Meanwhile, unit purchases for various types of harvesting equipment dropped between 21 and 46 percent.

Market supplies of farm machinery were large throughout the first 11 months of 1984. Despite heavy price discounting and other marketing incentives, depressed farm machinery demand continued to thwart manufacturers' attempts to reduce inventories.

For example, in November, manufacturers' inventories of 40-99 hp two-wheel-drive tractors rose 13 percent, all four-wheel-drive tractors 11 percent, balers 4 percent, and mower conditioners 24 percent. November inventory-to-purchase ratios for all machinery items were higher than a year earlier, except for forage harvesters, self-propelled combines, and corn heads, because of reduced demand. As a consequence, North American tractor and combine manufacturers, who were operating at 35 percent of capacity in January 1984, cut production to only 8 percent in December.

The U.S. farm machinery trade balance for January-October 1984 declined 21 percent from a year earlier. Total exports during the first 10 months were valued at about \$1.95 billion and imports at \$1.48 billion, up 16 and 37 percent, respectively, from a year earlier. The growing importance of farm machinery imports, especially small- to medium-sized tractors, has been a major factor contributing to the decline in the U.S. farm machinery trade balance.

Canada, Australia, and Saudi Arabia continue to be the major export markets for U.S. farm machinery, accounting for \$1.2 billion or 62 percent of the value of U.S. farm machinery exports. Canada, the UK, Japan, Italy, and

West Germany represented 86 percent (\$1.26 billion) of the value of U.S. imports. Over this period, the United States registered a negative trade balance of roughly \$645 million with Japan, West Germany, the UK, and Italy. The large volume of U.S. imports from these four countries reflects business arrangements between U.S. manufacturers and private companies or foreign subsidiaries to produce small- to medium-sized tractors. [Michael Hanthorn (202) 475-3850]

Pesticide Supplies Adequate

Aggregate pesticide prices are not expected to change much from 1984 levels, but there could be price changes for individual products. Farm pesticide use in 1985 is projected at 475 to 515 million pounds of active ingredients, compared with an estimated 507 million for 1984. Pesticide supplies will be adequate to meet projected 1985 use.

Growers who use pesticides based on methyl isocyanate (MIC) need to determine product availability in their locale. After the accident in Bhopal, India, the sole U.S. manufacturer of MIC closed its plant in December. The plant will not reopen until a study of the MIC situation is completed. Nevertheless, current indications are that supplies of these pesticides will be adequate. Affected pesticides include: aldicarb, carbaryl, methomyl, oxamyl, carbofuran, methazole, and tebuthiuron. [Herman Delvo (202) 447-8308]



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- A New Method to Assess Effects of Food Supply Shocks on Consumption in Developing Countries. TB-1697. 56 pp. January 1985. (Price \$2.00.)
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- Agricultural Finance Outlook and Situation Report. AF0-25. 36 pp. December 1984. (Price \$2.00.)
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- Livestock and Meat Statistics, 1983. SB-715. 184 pp. December 1984. (Price \$4.50.)



Transportation

A number of transportation issues are now before Congress and Federal courts. Decisions made by these bodies will affect competition and structure within the transportation industry.

Several shipper groups, individual shippers, and small railroads believe that shippers served by only one railroad require more protection than is available in a free market. In particular, they assert that railroads should be required to maintain a more extensive system of joint rates and through routes than now exists, and that the Interstate Commerce Commission (ICC) should impose tighter controls on rail rates and require release of more public information regarding contract rates. The ICC is now conducting oversight hearings into its administration of the Staggers Railroad Act of 1980, and Congress has indicated that it will also review the Staggers Act during its 99th Session.

The ICC's decision to permit merger of American Commercial Barge Lines with the CSX Corporation, a railroad holding company, is now before the courts. If this decision is upheld, other railroads may attempt to acquire a barge company. This, in turn, would tend to decrease the level of competition in the transportation sector.

The ICC's decision to deregulate truck hauls associated with trailer-on-flat-car (TOFC) shipments, instead of just

those owned by railroads, may be appealed. Also, a U.S. Court of Appeals has partially overturned the ICC's decision to exempt from regulation all export coal shipments.

Rail Capacity Will Be Adequate

U.S. exports of grains and soybeans for 1984/85 are now estimated at 124.2 million metric tons, 7 percent below the record of 1980/81, but 6 percent above 1983/84. Domestic shipments of grains and soybeans are also expected to be slightly above 1984. The current jumbo hopper car fleet of 238,000 should be plenty to meet demand. At the same time, short-term car shortages at specific locations can be expected, especially if overseas buyers create demand peaks during the year.

During 1984, the supplies of boxcars and refrigerator cars declined 9 and 8 percent, respectively, while the supply of flat cars used in TOFC service increased 3 percent. Again, overall rail car capacity for food products should be sufficient. The newest cars in the fleet average 91 tons' capacity, compared with a fleet-wide average of 82 tons. Thus, while the total number of cars last year fell 6 percent, total capacity declined less than 4 percent.

More efficient utilization of cars was evident during 1984 and is expected to

continue. An estimated 2.6 million TOFC cars were loaded in 1984, up 15 percent from 1983 and 63 percent from 1980. Since each TOFC car can carry two trailers, loadings represented a potential movement of 5.1 million trailers. But only 4.4 million trailers were shipped, so room for expansion exists with no increase in rail rolling stock.

TOFC Produce Shipments Continue Up

Produce shipments on all modes of transportation during 1984 were 2 percent below the prior year, but TOFC's share of the produce transport market rose to 6.3 percent, the third consecutive increase following deregulation of the service in 1981. On a volume basis, TOFC produce shipments increased 4 percent in 1984. Further growth is expected for 1985.

The Interstate Commerce Commission has voted to exempt TOFC shipments hauled by both railroad-owned and independent trucking companies from economic regulation so long as some of the though movement is by rail. Previously, only railroad-owned trucks were exempt. This decision will likely be appealed. Even if it is overturned, though, TOFC shipments of fresh produce are expected to grow, although at a slightly slower rate.

Rail Car Inventory: Flat Cars and Jumbo Covered Hoppers*Gain Slightly

Year	Boxcars	Jumbo covered hoppers	Flat cars (TOFC/COFC)	Refrlg. cars	All cars	Total capacity
						Million tons
			1,000 cars			
1979 ..	451	n.a.	52	80	1,699	133.0
1980 ..	417	186	57	78	1,696	132.7
1981 ..	398	218	56	73	1,676	134.9
1982 ..	359	231	57	68	1,597	130.4
1983 ..	336	234	58	63	1,586	129.6
1984 ..	307	238	60	58	1,495	124.5

n.a. = not available. Sources: AAR Freight Car Summary, Yearbook of Railroad Facts; USDA Office of Transportation.

Fresh Fruit and Vegetable Shipments: Trucks Still Dominate, But TOFC's Continue Gain¹

Year	Rails	TOFC ²	Truck	Total shipments
		Percent		1,000 cwt
1981	9.9	3.0	87.1	8,919
1982	7.8	4.3	87.9	8,934
1983	8.4	5.9	85.6	8,703
1984 ³	7.1	6.3	86.7	9,596

¹ Average weekly shipments. ² Trailer on flat car. ³ Preliminary.

Rail Line Abandonments May Slow

The longstanding trend of rail line abandonments shows signs of slackening. Between 1974 and 1983, the total length of line in service contracted 28 percent, from 200,916 to 144,506 miles. Abandonment was especially intense in 1982 and 1983; more than 3,000 miles of track were removed from service each year. At the end of 1983, applications were pending for abandonment of 3,300 more miles, and railroads had identified 3,250 other miles as having a potential for abandonment. In 1984, only 1,800 miles had been abandoned through the third quarter, and applications were pending for 2,800 additional miles of track.

Elimination of unprofitable lines has strengthened the financial situation of railroads. But, it has also reduced rail service to some farm communities and cut competition within the transportation sector. It has also tended to increase distribution costs for input suppliers and shippers located on abandoned lines. In most instances, loss of rail service forces an individual shipper or receiver to use trucks.

Rail Rates Expected To Rise

Rail rates are being pushed up by:

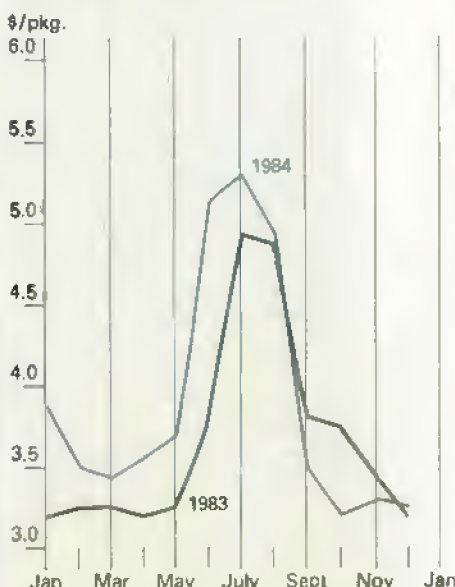
- 1984 shipments of grain and soybeans averaging 4 percent above 1983,
- an 11-percent increase in total rail traffic in 1984, and
- prospects for continued increases in rail volume of grain and other commodities in 1985.

During 1984, rail rates for grain, farm products, and food products all rose sharply. Most of the increases occurred in January. Relatively large grain marketings and a strong economy are likely to cause railroads to seek additional rate increases early in 1985.

Truck Rates To Remain Stable

While costs of operating trucks continue to edge up, these increases will likely

Truck Rates in Autumn 1984 Were Lower Than a Year Earlier



Rates for lettuce trucked from California to New York City.

be offset by substantial gains in supply. Therefore, rates are expected to increase little in 1985. Rates in 1984 averaged about 7 percent above 1983. According to USDA's Office of Transportation, operating costs for owner-operators rose less than a penny per mile between December 1983 and December 1984. Much of the small increase was caused by hikes in Federal and State fuel taxes. Federally mandated insurance minimums, effective January 1, 1985, will cause further increases.

At the same time, new trucks have been entering the market in record numbers. In 1984, an estimated 22,000 refrigerated trailers were added to the inventory, up more than 30 percent from the prior year and 65 percent higher than 1980. Many of these are the larger vehicles now permitted by the Surface Transportation Act of 1982. Thus, each trailer now adds more volume, on average, than those built in 1982.

The impact of more capacity can be seen in truck rates for lettuce shipped

from California to New York City (see the accompanying chart). Although truck costs have averaged about 1 percent above 1983, truck rates through August were only marginally above 1983, and in September-November they fell below 1983 levels as the large vehicles entered the market.

Barge Surplus To Continue

The volume of grain shipped by barge is closely related to the level of U.S. grain exports. During 1984, weekly barge loadings of grain averaged 37 million bushels, down 9 percent from the prior year. One-fourth to one-third of the barge fleet remained idle during 1984. Even if grain exports are larger in 1985, barge rates are not likely to return to 1980 levels. Barges have the capacity to carry an additional 4 million bushels per week. This excess capacity, in combination with the current rail surplus, indicates that the U.S. inland transportation system can readily accommodate the increased grain and soybean marketings anticipated in 1985.

Tennessee-Tombigbee Waterway Opens

The Tennessee-Tombigbee Waterway opened for barge traffic on January 14, well ahead of schedule. The Waterway Development Authority estimates that Tenn-Tom, built at a cost of \$1.8 billion, will move 28 million tons of cargo in its first year, at a savings of \$3.28 per ton from costs on the old water routes available. The new waterway will reduce the length of haul to the Gulf of Mexico from major areas served by as much as 800 miles.

Ocean Freight Rates May Rise Slightly

Total world trade in grain and soybeans for 1984/85 is now forecast at 264 million metric tons, 5 percent above 1983/84. Ocean freight rates are expected to rise somewhat above 1984, but the continuing surplus of bulk carriers should prevent any dramatic increase. Lloyd's of London is quoted as saying that a 50 million-deadweight-ton surplus of dry bulk carriers exists, and that the surplus could increase to 70 million tons. The U.S. and Canadian governments have announced that tolls on the St. Lawrence Seaway will not be increased during 1985. This action suggests shipping costs through the Great Lakes ports will not increase, keeping the volume of exports through these ports near 1984 levels. (T.Q. Hutchinson (202) 447-8707)

Production of Truck Trailers Up Sharply in 1984

Type	1977	1978	1979	1980	1981	1982	1983P	1984E
Total vans . .	160,623	128,566	136,484	75,172	70,928	64,892	85,067	179,006
Refrigerated	15,868	17,660	19,772	13,228	13,794	14,441	16,476	21,781
Livestock . . .	1,446	1,472	960	809	595	771	1,126	2,114
Open top . . .	4,275	4,279	1,992	5,133	3,324	2,171	3,032	4,224
Dump	9,393	9,788	10,819	6,586	6,488	4,707	4,804	6,772

P = Preliminary, E = Estimated. Source: U.S. Dept. of Commerce.



China's Agricultural Revolution: From Customer to Competitor

The performance of China's agriculture over the last 7 years has far surpassed the expectations of both Western analysts and China's planners. While output will grow more slowly during the rest of the 1980's, U.S. agricultural exports to China will remain depressed.

Farm Output Has Experienced Phenomenal Growth Since 1978

China's total agricultural output grew by 49 percent between 1978 and 1984, a gain of nearly 39 percent per capita, in contrast to virtually no growth in the previous two decades. Output has grown for nearly all crop and livestock products. Moreover, growth has been steady, with no down years since 1977.

This growth is transforming rural China. After two decades of stagnation, rural areas are experiencing substantial economic expansion and average incomes have more than doubled. Consumption of food has risen sharply, and rural diets are beginning to show greater diversity and a larger proportion of foods such as meat, eggs, and fruit. Expenditures on consumer durables are up sharply, and rural housing construction is moving rapidly.

Along with growth in production and changes in consumption, the very nature of agriculture is beginning to change. Households, rather than collectives, are now the most important unit in the countryside. The profit motive is playing a much greater role while the importance of central planning is declining; a rapidly rising share of output is being produced for the market rather than for on-farm consumption.

Chinese Farm Production Increases Dramatically . . .

Commodity	1978	1979	1980	1981	1982	1983	1984 ¹	Increase 1978-84
	Million tons							Percent
Wheat . . .	53.8	62.7	55.2	59.6	68.5	81.4	85.5	58.9
Rice . . .	136.9	143.8	139.9	144.0	161.6	168.9	176.0	28.6
Coarse grains . . .	79.1	83.1	84.2	80.8	83.5	92.4	97.5	23.3
Cotton . . .	2.2	2.2	2.7	3.0	3.6	4.6	5.7	161.2
Oilseeds ² . . .	16.4	17.4	20.2	24.5	27.1	30.9	31.2	90.2
Tobacco, flue-cured . . .	1.1	0.8	0.7	1.3	1.8	1.2	1.3	18.2
Sugar crops ³ . . .	23.8	24.6	29.1	36.0	43.6	40.3	40.0	68.1
Meat ⁴ . . .	8.6	10.6	12.1	12.6	13.5	14.0	14.4	68.0
Pork . . .	2.9	10.0	11.3	11.9	12.7	13.2	13.5	71.1
Total agricultural output ⁵ . . .	105.7	117.4	119.0	125.3	138.5	149.3	157.7	49.2

¹ Estimated. ² Soybeans, cottonseed, peanuts, rapeseed, and sunflowerseed. ³ Sugarcane and sugar beets. ⁴ Pork, beef, mutton. China also produces about 1.5 million tons of poultry meat. ⁵ 1978-78 average = 100.

... While U.S. Agricultural Exports to China Slide

Year ¹	Wheat	Corn	Cotton	Soybeans	Other	Total
	Million dollars					
1978 . . .	133.8	—	150.9	14.4	69.5	370.1
1979 . . .	357.0	291.6	193.5	37.8	37.3	917.2
1980 . . .	691.8	225.5	754.5	200.7	84.6	1,957.1
1981 . . .	1,402.2	108.9	481.4	154.7	36.8	2,184.0
1982 . . .	1,268.1	138.7	292.4	95.3	24.6	1,819.2
1983 . . .	285.4	250.1	3.3	—	7.4	546.2
1984 . . .	873.0	—	4.7	—	13.4	692.0
1985 ² . . .	n.a.	n.a.	n.a.	n.a.	n.a.	500.0

¹ Year ending September 30. ² USDA estimate.

Once an Importer of Soybeans & Cotton, China Now Exports Both

The changes have also had important implications for American farmers. China's grain imports have fallen 37 percent since 1982/83 and its corn exports will exceed 2 million tons this year. China was the world's largest cotton importer 5 years ago, but now the nation is exporting over 1 million bales annually. Imports of soybeans and soybean oil have ceased and exports of soybeans and soybean meal have risen. The falloff in imports has reduced U.S. agricultural exports to China from \$2.2 billion in fiscal 1981 to \$692

million during 1984, and no significant near-term recovery is likely. The Chinese are now competitors in many of the products they were recently importing.

While progress to date has been very rapid, the pace of future growth is difficult to project. The gains over the last 5 years have come largely from exploiting severely underutilized resources and using much more fertilizer. With the easiest production gains behind them, China's leaders now face the much more difficult challenge of continuing to build the institutions and provide the resources that will generate sustained growth. How effectively they respond to these challenges has important implications for both Chinese and American farmers.

Yield Increases Have Led Crop Production Gains

Crop output is up 46 percent from 1978. Crop area has dropped because of withdrawal of land from cultivation and less multiple cropping. Thus, output has grown because of steadily rising yields. Increases have been striking: Yields of wheat, cotton, rapeseed, sugar beets, and jute and hemp have grown by more than 50 percent, or at average annual rates of 8 percent or more. Of the crops for which China reports data, only potato and sesame yields rose by less than 3 percent annually. Acreage shifts have also affected production. The area of many of the major cash crops rose as farmers cut back on plantings of grain, potatoes, and green manure crops.

The reasons for China's successes have been widely reported: excess capacity, more incentives, less central direction, and more fertilizer. By the late 1970's, the policies of nearly two decades had created indifference among farmers; misuse of land, fertilizer, and other inputs; and declining productivity. A wholesale policy change which began in 1979 was able to quickly tap this reservoir of potential output.

A major round of increases in the Government prices paid to farmers gave a big boost to producer incentives. Between 1978 and 1983, the average price paid farmers rose by nearly 50 percent. The impact of price increases was amplified by the progressive breakup of collective production systems, as land was parceled out to households and farmers were allowed to retain or freely dispose of production above the amounts set in the annual contracts with the Government. The new policy links farm income directly with production, unlike the old system, in which households received a share of collective income that was largely independent of how hard they worked.

It is important to remember that China's new farm system still retains significant elements of Government planning. The contracts which farmers sign are a new form of plan, and what they produce and how they use their land is still strongly influenced by Government requirements. But the new system does give farmers more freedom, and the Government is gradually reducing the coverage of its plans. What planning does remain in the system is simply better than it was 7 years ago. Rather than stressing local self-sufficiency, planners are now encouraging specialization and adapting cropping to local conditions. This shift has added significantly to efficiency. The move toward specialization has also seen the emergence of specialized households, which concentrate on the production of one item. There are now 25 million commercial family farms, representing 14 percent of all farm families.

Finally, the growth of output has been aided by a rapid rise in fertilizer availability. Large modern nitrogen fertilizer plants bought from the United States, Japan, and Europe in the mid-1970's doubled China's capacity to produce nitrogen fertilizer. New domestically designed plants have also been added. And, fertilizer imports are up sharply. As a result, fertilizer consumption rose from 8.8 million tons in 1978 to 16.6 million in 1983.

Livestock Sector Expanding Faster Than Crops But Per Capita Consumption Still Low

Livestock has been and remains a lagging sector of Chinese agriculture, accounting for only about 17 percent of total farm output, despite major gains since 1978. Still, livestock production has grown more rapidly than crop output, and meat production is now 67 percent above the 1978 level. The gains were large enough to permit the lifting of pork rationing in the early 1980's. While data on poultry meat and eggs are unavailable, poultry and egg production is also up substantially.

Despite these gains, though, livestock product consumption is still extremely low. Rural consumption averages only 7 ounces of red meat and one-half ounce of poultry meat per week, and only one egg every 2 weeks.

The growth of livestock output has been due to a combination of new policies and improved inputs. Producer incentives have improved as households have assumed a growing share of the responsibility for livestock raising, particularly in finishing hogs for slaughter. Government procurement prices for livestock were raised sharply in 1979 along with prices of other farm products. Also, improved feed supplies from the large increases in grain and oilseed production have made a major contribution to livestock output growth.

While most livestock raising remains a small-scale household sideline, recent policies have encouraged households to specialize in livestock production. These households raise several times the number of animals that households normally raise and must rely to a large extent on purchased feed.

In addition, a limited number of large-scale confined feeding operations run by the collective sector have been established near large cities. In several cases, these feed lots are part of joint ventures with foreign investors. These operations serve the urban areas and export markets. While the nontraditional forms of production—specialized households and large-scale facilities—currently account for only a small share of output, they will be increasingly important in the future and their development has major implications for the growth of feed demand.

Government Faces New Challenges

Priorities for the remainder of the decade include (1) more selective growth, (2) continued emphasis on livestock development, and (3) expansion of subsidiary foodstuff output. This period will bring both slower aggregate growth and further major changes to the agricultural system, because farmers and planners now face the following new circumstances:

- The easiest opportunities for increasing efficiency are gone, removing a major source of rapid output gains.

- Since retail prices of basic commodities have been kept stable, the rise in procurement prices has required steadily rising Government subsidies and a growing strain on the budget.
- The large increases in production of many crops have overwhelmed the Government's procurement, storage, processing, and transportation capacity. Very large stocks of a number of commodities, particularly cotton and grains, have accumulated.
- Farmers have concentrated on quantity, not quality, with the result that the production mix does not match demand. For example, textile mills complain about the poor strength of the cotton; consumers want lean pork, while farmers continue to sell traditional fatty varieties of hogs; and there are shortages of high-quality rice while stocks of lower grade and less preferred varieties are excessive.

The marketing and price systems are central to most of these problems. The Government-run system was adequate for a period of slowly growing output, a low level of off-farm sales, and general scarcity where consumers were willing to take whatever they could find in the stores. But this system cannot deal efficiently with the rapid growth and rising importance of consumer demand. Unless the marketing system changes, producer incentives will be stifled, consumer dissatisfaction will grow, and budget subsidies will eat up Government revenues.

To deal with those problems, the Government is now beginning the second phase of the agricultural revolution—the reform of the marketing and price system. This promises to be a much more comprehensive reform and contains severe economic and political risks for the Government. The basic elements of the new phase include the following:

- The number and volume of farm commodities that the Government buys are being cut. For example, beginning in 1985, the Government will buy wheat, rice, and corn, but will end compulsory delivery quotas for other grains. The 1985 purchase quota for cotton has been dropped more than 20 percent from the 1984 total purchases, and the Government will not buy any more than this amount. This change will force a greater share of production onto the market at prices that are market determined, rather than Government guaranteed.
- Restrictions on free markets, farmer transportation, and sales of farm produce will continue to be eased. The Government is also investing heavily in improving transportation, storage, information flows, and other aspects of the marketing system.
- Pricing formulas for Government purchases are being changed to freeze the price paid. There have also been suggestions that Government purchase prices will be cut, but this is probably several years off, at least for major commodities such as grain.

- The structure of procurement prices is being changed to increase quality differentials.
- Retail prices for agricultural products are being increased.

In the short run, these actions will increase producer risk and uncertainty and dampen incentives, and they are likely to significantly slow growth of total production over the next 5 years. An educated guess is that average growth for combined crop and livestock output during the remainder of the decade will be only about 3 percent annually.

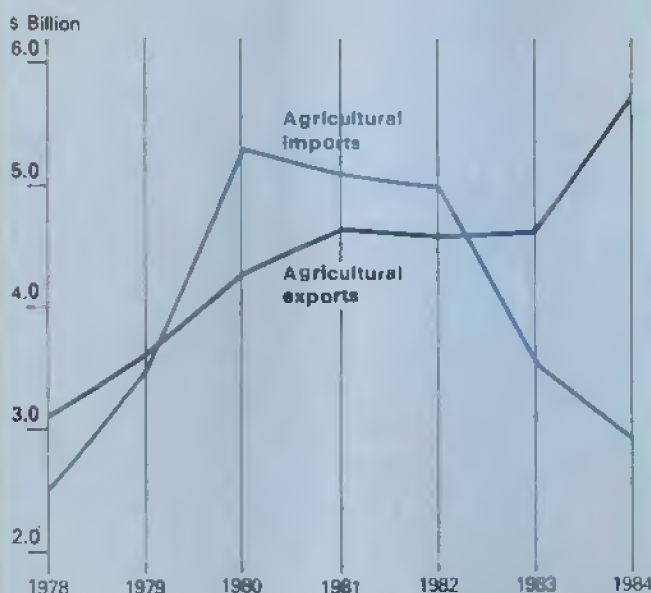
While this rate is well below the 8-percent average of the last 7 years, it should be adequate to meet the demand growth of most commodities. The main constraint on development during this period will be how quickly China's farmers can shift production away from crops such as grain and cotton toward other crops. For livestock, the constraints will be limited feed supplies, shortages of suitable breeds, and the livestock marketing system.

China Has Historically Been A Net Agricultural Exporter

For China's suppliers, the unlimited promise that many saw in the Chinese market several years ago has given way to disappointment and rising concern about Chinese competitiveness. Current concerns may prove as overblown as the optimism of a few years ago, but China is still not likely to be a growth market for American exports during the remainder of the decade, and will offer competition in an expanding range of products.

While the United States' major interest in China has been its import potential, for most of the last 35 years China has been a net exporter of farm products. As recently as 1978, agricultural exports—livestock products, fruits and vegetables, rice, and a variety of specialized products—accounted for nearly one-third of total exports. Major agricultural

China Registers a Tremendous Turnaround In Farm Trade



Source: CIA compilations of partner country trade data; ERS estimates.

imports have been restricted to a rather narrow range of bulk commodities—wheat, corn, and cotton—with relatively small amounts of other items.

China sharply increased agricultural imports in the late 1970's as part of the new agricultural policies. Cotton imports soared as China moved to meet rising domestic and foreign demand for textiles. Soybean and soybean oil imports rose as the Government acted to alleviate extreme shortages of edible oils. Grain import requirements also increased as the Government began to guarantee grain supplies to cash crop producers. By 1980, China was a net importer of farm products for the first time since the 1960's.

These larger imports were considered temporary. One reason for higher grain imports was to ease the shift of land to cotton and oilseeds and reduce imports of them. Policymakers indicated that they hoped grain imports could eventually be cut as well. Despite the rapid growth in trade, the Chinese were never committed to permanently increasing reliance on foreign sources of basic commodities.

Indeed, the expansion of imports was short-lived. Production quickly caught up with demand. Imports plateaued between 1980 and 1982 and then plummeted in 1983 and 1984. Exports, on the other hand, were stable between 1981 and 1983 and then soared in 1984, when China registered what was probably its largest agricultural trade surplus in the last 35 years.

In the early 1980's, China was importing nearly 15 million tons of grain and a half-million tons of soybeans, and was a leading importer of cotton. Exports of these commodities were negligible. But currently, the only coarse grain being imported is barley for brewing. Wheat imports have fallen by 30 percent, and soybean, soybean oil, and cotton imports have essentially ended. At the same time, China is now exporting at least 2 million tons of coarse grains, soybean and soybean meal shipments are up sharply, and cotton exports have become a drag on an already depressed world cotton market.

The most important immediate factor behind this abrupt change in trade patterns has been large stocks. Domestic utilization has been unable to absorb the large production increases. In the case of cotton, 1984/85 production was nearly 60 percent above consumption and China now holds about one-half of total world stocks. Stocks of coarse grains and soybeans are also high. Inadequate processing and transportation prevent these from being shifted between regions, and export has proven the only means of surplus disposal despite the obvious requirements of the livestock industry.

U.S. farm sales to China have followed this same general pattern. During fiscal 1981, China was the fourth largest U.S. export market, as sales reached \$2.2 billion. Thus, the drop in agricultural imports fell heavily on the United States. Other factors—the dispute over U.S. textile imports from China and strong competitive pressures from other exporters—have also had their effect on U.S. sales, but the main factor has been the success of China's agriculture.

Import Demand Prospects: Poor for Coarse Grains. Good for Breeding Stock Grain.—China's demand for wheat will continue to grow at a rapid pace. This growth, coupled with slowing production growth, makes it likely that import levels will begin to trend upward again in the latter part of the decade, although high stocks may further depress imports for the next year or two.

Coarse grains prospects are much less certain. Human consumption, the major use of coarse grain in China, is declining as consumers shift to wheat, rice, and meat. The livestock sector will require rising amounts of corn, but the capacity of China's system to process, distribute, and effectively utilize a rapidly growing amount of feedstuffs is limited.

While the use of corn for feed will increase by several million tons annually, growth is unlikely to outstrip domestic production. So, corn exports may well continue, although at somewhat lower levels as stocks are reduced. We may also see some corn imported for use in the rapidly growing livestock sector in southern China, even as exports from the northern producing regions continue.

Rice exports have so far been low, but the growth of consumption is slowing and stocks are high. China may well provide some unpleasant surprises for other rice exporters.

Soybeans and soybean products.—A shortage of protein meal is one of the largest potential constraints on China's livestock development, and domestic demand for meal will certainly increase. But the pace of the growth in demand is uncertain. Eventually, demand growth will limit export supplies and likely lead to declining exports of soybeans and soybean meal and a resumption of imports. However, the timing of this shift is impossible to predict.

Cotton.—Domestic supplies of cotton are now so far out of line with Chinese consumption that the Government is reducing planned procurements in 1985 and production is likely to fall sharply. But exports will continue for the foreseeable future, although possibly at slowly declining levels.

Other agricultural products.—China is pushing the development of both the food processing and livestock sectors in part for their export potential. China is already the major supplier of livestock and livestock products to Hong Kong, and is moving to open new markets elsewhere in Asia. The high priority for livestock is also offering important new opportunities for U.S. exports of breeding stock and livestock and feed technology.

China is already an important exporter of fresh and processed fruit and vegetable products and is almost certain to become increasingly active in these international markets.

In short, the dramatic changes in China's agriculture have caused a major shift in the country's position in world agricultural markets. China remains an important export market with some long-run potential. But it has also become an unwelcome source of new competition in many international markets for U.S. farm commodities. [Frederic Surls (202) 447-8676]

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Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1983	1984				1985			
	Annual	I	II	III	IV F	Annual F	I F	II F	Annual F
Prices received by farmers (1977=100)									
Livestock and products	134	146	143	142	137	142	138	138	138
Crops	141	154	146	143	142	146	145	146	146
	127	138	140	140	131	139	130	128	128
Prices paid by farmers (1977=100)									
prod. items	153	156	157	155	153	155	155	158	157
Commodities and services, Int., taxes, and wages	160	164	165	164	164	165	165	167	167
Cash receipts¹ (\$ bil.)*									
Livestock (\$ bil.)	139	134	139	149	140-144	139-143	138-142	142-146	142-147
Crops (\$ bil.)	69	73	70	71	69-73	70-74	70-74	69-73	71-75
	70	61	69	78	69-73	68-72	66-70	71-75	70-74
Market basket (1967=100)									
Retail cost	269	279	278	280	279	279	286	285	287
Farm value	240	257	252	256	249	254	252	247	250
Spread	286	292	293	294	294	293	306	308	309
Farm value/retail cost (%)	33	34	34	34	34	34	33	32	32
Retail prices (1967=100)									
Food	292	301	302	304	304	303	310	311	313
At home	282	292	292	293	292	292	299	299	300
Away-from home	320	329	332	335	338	333	341	346	348
Agricultural exports (\$ bil.)²	34.8	10.7	8.9	8.2	10.0	38.0	10.2	8.9	36.5
Agricultural imports (\$ bil.)²	16.4	5.0	4.7	5.0	4.7	18.9	4.5	4.4	19.0
Livestock and products									
Total livestock and products (1974=100)	115.1	112.4	116.5	114.8	116.0	114.8	113.2	117.0	115.5
Beef (mil. lb.)	23,060	5,708	5,819	5,949	5,933	23,409	5,800	5,575	22,850
Pork (mil. lb.)	15,117	3,737	3,670	3,354	3,957	14,718	3,675	3,550	14,250
Veal (mil. lb.)	428	115	113	122	127	477	115	90	400
Lamb and mutton (mil. lb.)	367	98	92	88	93	371	88	82	330
Red meats (mil. lb.)	38,972	9,658	9,694	9,513	10,110	38,975	9,678	9,297	37,830
Broilers (mil. lb.)	12,389	3,082	3,350	3,339	3,219	12,991	3,300	3,575	13,850
Turkeys (mil. lb.)	2,563	432	589	778	774	2,573	480	650	2,760
Total meats and poultry (mil. lb.)	53,924	13,172	13,633	13,630	14,103	54,540	13,458	13,522	54,440
Eggs (mil. dz.)	5,859	1,400	1,408	1,427	1,469	5,705	1,460	1,450	5,830
Milk (bil. lb.)	140.0	34.1	35.8	33.5	32.4	135.4	33.0	36.3	137.3
Choice steers, Omaha (\$/cwt.)	82.37	67.58	66.01	64.28	63.49	65.34	64.67	66.70	64.70
Barrows and gilts, 7 markets (\$/cwt.)	47.71	47.68	48.91	51.21	47.65	48.86	48-51	48-52	48-54
Broilers-wholesale, 12-city weighted avg. dressed (cts./lb.)	—	61.8	56.4	54.1	49.9	55.6	51-54	51-55	49-55
Turkeys-wholesale, N.E., 8-16 lb. hens, dressed (cts./lb.)	60.5	67.7	66.9	72.4	90.5	74.4	66-69	63-67	64-70
Eggs, N.Y. Gr. A large, (cts./dz.)	75.2	103.4	83.4	70.1	66.7	80.9	59-63	58-62	62-68
Milk, all at farm (\$/cwt.)	13.57	13.40	12.97	13.20	14.10	13.42	13.60-13.90	12.60-13.20	12.70-13.30
Crop prices at the farm³									
Wheat (\$/bu.)	3.53	3.46	3.58	3.38	3.42	3.37	—	—	—
Corn (\$/bu.)	3.25	3.16	3.34	3.11	2.59	2.69	—	—	—
Soybeans (\$/bu.)	7.75	7.60	7.98	6.51	5.97	6.13	—	—	—
Upland cotton (cts./lb.)	66.4	65.9	69.3	68.0	60.7	61.9	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

³ Quarterly prices are simple averages, annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. * Seasonally adjusted at annual rates.

Farm Income

Farm income statistics

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 F	1985 F
	\$ Bil.										
Receipts											
Cash receipts:											
Crops ¹	45.8	49.0	48.6	53.7	63.2	72.7	73.3	74.6	69.5	68 to 72	70 to 74
Livestock	43.1	46.3	47.6	59.2	68.6	67.8	69.2	70.1	69.2	70 to 74	71 to 75
Total	88.9	95.4	96.2	112.9	131.8	140.5	142.6	144.8	138.7	139 to 143	142 to 147
Other cash income ²	1.8	1.8	3.0	4.3	2.9	2.8	3.8	5.5	10.8	8 to 12	6 to 10
Gross cash income	90.7	97.1	99.2	117.2	134.7	143.3	146.4	150.2	149.6	150 to 154	150 to 155
Nonmoney income ³	6.5	7.3	8.4	9.2	10.7	12.4	13.6	14.2	13.6	12 to 14	12 to 14
Realized gross income	97.2	104.4	107.6	126.4	145.4	155.7	160.0	164.4	163.2	163 to 167	163 to 168
Value of inventory chg.	3.4	-1.5	1.1	.8	4.9	-5.5	7.9	-2.6	-11.7	6 to 10	-2 to 2
Total gross income	100.6	102.9	108.7	127.2	150.4	150.2	167.9	161.8	151.4	171 to 175	163 to 168
Expenses											
Cash expenses ⁴	61.7	67.8	72.0	81.0	97.2	105.6	111.4	113.4	109.5	115 to 117	118 to 122
Total expenses	75.0	82.7	88.9	99.5	118.1	128.9	136.9	139.5	135.3	141 to 143	142 to 147
Income											
Net cash income	29.0	29.3	27.3	36.2	37.5	37.7	35.0	36.8	40.1	34 to 38	31 to 36
Total net farm income	25.6	20.1	19.8	27.7	32.3	21.2	31.0	22.3	16.1	29 to 33	19 to 24
Deflated total net farm income ⁵	20.3	15.2	14.2	18.4	19.8	11.9	15.8	10.8	7.5	13 to 15	8 to 10
Off-farm income	23.9	26.7	26.1	29.7	35.3	37.6	39.8	39.4	41.0	41 to 45	43 to 47

F = Forecast. ¹ Includes net CCC loans. ² Income from machine hire and custom work, farm recreational income, and direct government payments. ³ Imputed gross rental value of farm dwellings and value of home consumption. ⁴ Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. ⁵ Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

Farm production¹

Item	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 ²
	1977=100									
Farm output	95	97	100	104	111	103	118	114	93	109
All livestock products ³	95	99	100	101	104	108	109	107	109	108
Meat animals	97	100	100	100	103	107	106	101	103	103
Dairy products	94	98	100	99	101	105	108	110	114	111
Poultry and eggs	92	98	100	106	114	115	119	119	120	123
All crops ⁴	93	92	100	102	113	101	116	118	87	110
Feed grains	91	96	100	108	116	97	121	124	67	115
Hay and forage	100	94	100	106	108	98	106	110	100	107
Food grains	108	107	100	93	108	121	144	140	116	129
Sugar crops	114	112	100	101	94	97	107	96	93	96
Cotton	58	74	100	76	102	79	109	85	54	92
Tobacco	114	112	100	106	80	93	108	104	75	91
Oil crops	86	74	100	105	129	99	114	124	91	106
Cropland used for crops	97	98	100	97	100	102	103	102	88	98
Crop production per acre	96	94	100	105	113	99	113	116	99	112

¹ For historical data and indexes, see Changes in Farm Production and Efficiency USDA Statistical Bulletin 657. ² Preliminary indexes for 1984 based on January 1985 Crop Production report and other releases of the Crop Reporting Board, SRS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1984						1985
	1982	1983	1984	Jan	Aug	Sept	Oct	Nov	Dec	Jan p
1977=100										
Prices Received										
All farm products	133	134	142	145	143	139	138	137	135	134
All crops	121	127	139	139	144	136	138	130	125	125
Food grains	146	148	143	145	142	142	142	143	140	140
Feed grains and hay	120	143	146	150	146	137	130	126	128	129
Feed grains	120	146	148	153	150	140	130	126	127	128
Cotton	92	104	108	104	111	107	107	102	92	89
Tobacco	154	147	156	151	157	168	165	168	166	162
Oil-bearing crops	88	102	109	121	100	95	93	93	90	89
Fruit	175	123	199	136	246	245	289	246	201	194
Fresh market ¹	186	123	216	138	275	272	324	272	217	209
Commercial vegetables	127	131	134	162	141	128	138	106	115	124
Fresh market	120	129	133	171	142	126	140	96	108	120
Potatoes ²	125	123	157	159	201	119	113	116	126	130
Livestock and products	145	141	146	150	143	141	139	143	145	143
Meat animals	155	147	151	151	152	146	142	146	151	150
Dairy products	140	140	138	140	135	140	144	147	144	143
Poultry and eggs	110	118	135	164	120	123	117	127	121	117
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	157	160	164	163	164	164	164	164	164	164
Production items	150	153	155	155	155	154	153	153	153	154
Feed	122	134	135	144	133	129	125	123	122	123
Feeder livestock	164	160	154	156	152	149	150	154	154	160
Seed	141	141	151	142	153	166	156	156	156	156
Fertilizer	144	137	143	136	147	147	141	141	139	139
Agricultural chemicals	119	125	128	126	129	129	129	129	129	129
Fuels & energy	210	202	202	202	199	200	201	200	196	195
Farm & motor supplies	152	152	148	147	147	147	148	148	147	147
Autos & trucks	159	170	182	178	183	183	183	189	189	189
Tractors & self-propelled machinery	165	174	181	177	182	182	182	182	182	182
Other machinery	160	171	180	174	182	163	183	183	183	183
Building & fencing	135	138	138	137	137	137	137	137	137	137
Farm services & cash rent	145	147	151	151	151	151	151	151	151	152
Interest payable per acre on farm real estate debt	241	251	251	251	256	256	256	256	251	250
Taxes payable per acre on farm real estate	131	137	132	132	145	145	145	145	132	135
Wage rates (seasonally adjusted)	143	148	150	150	150	150	150	150	150	150
Production items, interest, taxes, and wage rates	155	159	161	161	161	160	159	159	159	160
Prices received (1910-14=100)	609	613	649	661	654	634	632	625	618	614
Prices paid, etc. (Parity index) (1910-14=100)	1,076	1,105	1,130	1,123	1,134	1,132	1,129	1,131	1,125	1,129
Parity ratio ³	57	56	57	59	58	56	56	55	55	54

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweet potatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1984						1985
	1982	1983	1984 p	Jan	Aug	Sept	Oct	Nov	Dec	Jan p
Crops										
All wheat (\$/bu.)	3.52	3.58	3.46	3.50	3.43	3.43	3.43	3.46	3.38	3.37
Rice, rough (\$/cwt.)	8.36	8.31	8.32	8.57	8.22	8.17	8.08	8.13	8.08	8.13
Corn (\$/bu.)	2.37	2.99	3.05	3.15	3.13	2.90	2.85	2.55	2.56	2.59
Sorghum (\$/cwt.)	4.00	4.89	4.61	4.92	4.59	4.24	4.06	4.08	4.16	4.25
All hay, baled (\$/ton)	69.20	73.70	76.30	76.60	71.70	71.90	71.90	73.00	76.00	74.00
Soybeans (\$/bu.)	5.78	6.73	7.02	7.85	6.50	6.09	6.08	6.02	5.82	5.77
Cotton, Upland (cts./lb.)	55.5	62.9	65.5	62.7	67.4	64.6	64.6	61.8	55.8	53.7
Potatoes (\$/cwt.)	5.10	4.97	6.45	6.43	9.57	4.76	4.19	4.81	4.91	5.08
Dry edible beans (\$/cwt.)	16.80	18.20	20.40	22.10	21.10	19.00	19.90	19.20	18.60	18.70
Apples for fresh use (cts./lb.)	15.3	13.2	17.0	14.3	18.3	20.7	18.4	17.3	17.8	14.7
Pears for fresh use (\$/ton)	300	280	218	195	237	271	300	364	333	329
Oranges, all uses (\$/box) ¹	6.61	3.36	9.01	3.65	13.49	11.95	15.01	11.54	8.28	8.37
Grapefruit, all uses (\$/box) ¹	2.06	1.99	3.05	2.14	2.28	2.30	5.26	4.16	4.19	3.86
Livestock										
Beef cattle (\$/cwt.)	57.00	55.80	57.60	57.10	56.60	55.70	54.10	54.90	57.00	56.70
Calves (\$/cwt.)	60.20	62.10	60.10	60.90	59.10	56.60	58.20	59.40	59.50	62.30
Hogs (\$/cwt.)	54.00	46.20	47.60	48.50	50.40	46.30	43.60	47.00	48.60	47.70
Lambs (\$/cwt.)	54.60	55.50	80.30	60.00	61.00	61.80	62.40	63.30	61.90	62.70
All milk, sold to plants (\$/cwt.)	13.60	13.60	13.40	13.60	13.10	13.60	14.00	14.30	14.00	13.90
Milk, manuf. grade (\$/cwt.)	12.70	12.60	12.50	12.50	12.10	12.70	13.00	13.20	13.00	12.90
Broilers (cts./lb.)	28.8	29.2	33.4	36.9	30.6	32.1	29.5	30.8	28.5	30.9
Eggs (cts./doz.) ²	58.5	63.0	70.1	96.1	58.6	58.4	55.3	61.3	58.4	51.7
Turkeys (cts./lb.)	37.5	36.5	46.9	46.6	45.2	46.6	51.1	57.3	60.5	51.9
Wool (cts./lb.) ³	68.0	61.5	78.5	63.7	83.5	76.1	81.3	81.7	72.0	68.2

¹ Equivalent on-tree returns. ² Average of all eggs sold by producers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1983		1984						
	1984	Dec	May	June	July	Aug	Sept	Oct	Nov	Dec
1967=100										
Consumer price index, all items	311.1	303.5	309.7	310.7	311.7	313.0	314.5	315.3	315.3	315.5
Consumer price index, less food	311.3	304.0	310.0	311.0	312.0	313.2	315.2	316.1	316.2	316.2
All food	302.9	293.9	301.4	302.0	303.2	304.8	304.2	304.4	304.1	305.1
Food away from home	333.4	325.5	332.6	333.1	334.4	335.5	335.8	336.6	337.7	339.2
Food at home	292.6	283.0	290.7	291.4	292.5	294.4	293.4	293.4	292.4	293.2
Meats ¹	268.1	258.3	267.9	266.8	267.3	269.9	268.0	287.1	266.1	269.6
Beef and veal	275.6	266.0	278.3	274.2	272.1	274.3	271.9	271.3	271.9	276.2
Pork	252.5	240.3	248.0	250.5	255.5	259.9	257.5	255.0	251.2	254.6
Poultry	218.5	209.8	218.0	219.6	221.3	216.5	217.2	214.0	213.1	213.8
Fish	386.8	376.4	380.8	382.3	387.0	387.0	390.6	390.6	389.2	392.2
Eggs	209.0	234.0	218.9	185.8	182.7	179.3	178.6	177.8	175.6	185.7
Dairy products ²	253.2	249.9	251.0	251.7	252.2	252.7	254.9	256.1	257.2	258.4
Fats and oils ³	288.0	278.2	282.9	285.4	291.4	295.4	295.1	294.9	293.0	293.7
Fruits and vegetables	317.4	292.6	310.2	318.1	320.0	327.7	319.7	318.4	314.8	309.7
Fresh	330.3	294.2	316.0	329.7	332.4	345.7	332.5	329.3	323.4	312.6
Processed	306.1	293.3	306.5	308.0	309.2	310.7	308.4	309.2	308.0	309.3
Cereals and bakery products	305.3	297.1	303.5	304.9	306.6	307.8	307.9	308.7	309.0	310.7
Sugar and sweets	389.1	377.7	390.0	391.2	391.8	392.6	393.7	393.3	390.9	391.7
Beverages, nonalcoholic	443.0	433.7	441.7	442.3	442.7	441.5	444.0	446.8	445.5	443.4
Apparel commodities less footwear	183.2	183.4	181.7	179.8	178.9	183.1	187.8	189.2	188.3	185.9
Footwear	209.5	207.9	210.2	209.6	208.0	207.7	211.1	212.9	212.9	211.4
Tobacco products	310.0	299.9	305.9	308.1	313.2	313.9	314.1	314.6	314.7	314.6
Beverages, alcoholic	222.1	218.1	221.5	222.4	222.5	222.9	223.1	224.2	223.8	223.9

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1983			1984			
	1981	1982	1983 p	Dec	July	Aug	Sept	Oct	Nov	Dec
	1967=100									
Finished goods¹	269.8	280.6	285.2	287.2	292.3	291.3	289.8	291.6	292.3	292.4
Consumer foods	253.6	259.3	261.8	264.3	275.3	274.0	273.4	271.8	272.3	274.4
Fresh fruit	228.9	236.9	251.2	258.9	251.1	268.0	301.5	272.5	261.0	269.7
Fresh and dried vegetables	278.0	246.5	248.9	263.1	284.8	294.6	259.8	242.7	223.9	217.9
Eggs	187.1	178.7	n.a.	n.a.	184.9	181.2	177.6	179.9	176.0	187.5
Bakery products	268.2	275.4	285.7	291.4	300.6	301.3	302.1	302.9	303.2	305.0
Meats	239.0	250.6	236.7	227.1	245.1	239.1	235.5	224.9	230.4	236.3
Beef and veal	246.8	245.0	236.7	230.9	237.5	231.0	229.2	220.1	230.1	234.6
Pork	218.1	251.1	227.6	213.1	252.4	240.9	232.0	216.4	218.5	229.8
Poultry	193.3	178.7	185.0	206.7	208.0	194.3	202.1	196.8	203.9	200.1
Fish	377.8	422.4	448.2	422.6	468.3	463.0	453.6	515.4	515.9	539.2
Dairy products	245.6	248.9	250.6	248.9	251.4	251.0	255.2	256.7	257.4	255.9
Processed fruits and vegetables	261.2	274.5	277.4	282.9	296.5	296.4	292.0	295.5	291.7	292.6
Shortening and cooking oils	238.0	234.4	256.1	290.3	320.2	317.9	312.7	316.2	321.5	308.8
Consumer finished goods less foods	276.5	287.8	291.4	292.5	295.4	294.4	291.9	294.8	295.7	294.9
Beverages, alcoholic	189.5	197.8	205.0	206.1	211.0	210.1	210.4	210.5	210.5	209.6
Soft drinks	305.1	319.1	327.4	331.6	340.7	342.5	342.9	348.2	344.8	345.6
Apparel	186.0	194.4	197.4	199.0	201.9	201.8	202.3	200.5	201.6	201.8
Footwear	240.9	245.0	250.1	250.3	250.1	250.9	252.1	252.2	249.1	249.6
Tobacco products	268.3	323.2	365.4	377.0	407.9	407.6	406.7	406.8	407.1	406.9
Intermediate materials²	306.0	310.4	312.3	315.7	321.7	321.1	320.3	319.9	320.5	319.8
Materials for food manufacturing	260.4	255.1	258.4	262.9	276.4	272.4	269.9	267.2	269.2	268.4
Flour	191.9	183.4	186.4	183.5	188.9	183.4	182.8	184.9	184.9	183.3
Refined sugar ³	171.8	161.3	172.0	173.8	174.5	174.3	172.8	172.0	171.8	170.6
Crude vegetable oils	185.4	160.1	193.8	221.8	277.6	267.9	248.8	256.9	271.8	252.0
Crude materials⁴	329.0	319.5	323.6	327.5	334.1	328.9	326.7	320.0	323.7	323.1
Foodstuffs and feedstuffs	257.4	247.8	252.2	256.0	263.6	256.5	253.1	245.5	253.4	253.7
Fruits and vegetables ⁵	267.3	253.7	262.1	276.1	281.2	293.3	289.7	266.8	251.0	251.7
Grains	248.4	210.9	240.4	243.6	248.9	236.9	231.4	219.0	219.7	212.5
Livestock	248.0	257.8	243.1	238.2	260.1	253.7	244.9	233.9	247.7	252.3
Poultry, live	201.2	191.9	206.5	241.2	259.2	218.6	239.7	219.2	247.1	231.7
Fibers, plant and animal	242.0	202.9	227.0	244.1	235.8	211.3	210.3	202.8	201.4	203.0
Milk	287.4	282.5	282.0	281.4	273.9	276.8	282.1	286.7	287.6	287.5
Oilseeds	277.6	214.5	245.3	271.5	249.8	245.7	228.3	217.2	222.6	216.2
Coffee, green	330.1	311.5	300.1	301.3	310.2	310.2	310.2	310.2	310.2	310.2
Tobacco, leaf	246.9	269.9	274.2	264.8	261.0	275.0	295.6	290.1	n.a.	290.9
Sugar, raw cane	272.7	278.5	315.9	311.6	315.7	311.1	312.6	309.6	306.2	304.5
All commodities	293.4	299.3	303.1	306.1	311.9	310.7	309.5	309.4	310.4	309.9
Industrial commodities	304.1	312.3	315.7	318.4	323.9	323.3	322.3	323.2	323.8	323.0
All foods⁶	251.8	254.4	257.5	260.2	272.1	270.1	268.9	267.2	267.9	269.5
Farm products and processed foods and feeds	251.5	248.9	253.9	257.9	264.9	261.4	259.6	255.8	258.4	259.2
Farm products	254.9	242.4	248.2	254.0	258.7	253.3	249.7	240.1	245.5	245.7
Processed foods and feeds	248.7	251.5	255.9	259.0	267.3	264.8	264.0	263.3	264.4	265.5
Cereal and bakery products	255.5	253.8	261.0	265.1	272.3	271.7	272.0	272.7	272.6	273.7
Sugar and confectionery	275.9	269.7	292.8	297.5	305.0	303.7	302.7	300.2	297.1	296.3
Beverages	248.0	256.9	263.6	266.5	273.9	274.6	274.7	276.8	276.2	275.9

¹ Commodities ready for sale to ultimate consumer. ² Commodities requiring further processing to become finished goods. ³ All types and sizes of refined sugar. ⁴ Products entering market for the first time which have not been manufactured at that point. ⁵ Fresh and dried. ⁶ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1983		1984				
	1982	1983	1984 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Market basket¹										
Retail cost (1967=100)	266.4	268.7	279.3	269.7	279.0	281.4	280.0	279.7	278.8	279.9
Farm value (1967=100)	247.8	242.3	256.1	246.7	256.3	256.8	250.6	245.7	248.1	252.7
Farm-retail spread (1967=100)	277.4	284.3	293.5	283.3	292.4	295.8	297.2	299.7	296.9	295.9
Farm value/retail cost (%)	34.4	33.4	33.8	33.9	34.0	33.8	33.1	32.5	33.0	33.4
Meat products										
Retail cost (1967=100)	270.3	267.2	268.1	258.3	267.3	269.9	268.0	267.1	266.1	269.6
Farm value (1967=100)	251.3	235.8	241.6	221.7	247.3	247.2	237.8	225.6	231.8	245.6
Farm-retail spread (1967=100)	292.4	304.0	299.0	301.1	290.7	296.5	303.3	315.7	306.3	297.7
Farm value/retail cost (%)	50.2	47.6	48.6	46.3	49.9	49.4	47.9	45.6	47.0	49.2
Dairy products										
Retail cost (1967=100)	247.0	250.0	253.2	258.4	252.2	252.7	254.9	256.1	257.2	258.4
Farm value (1967=100)	261.9	262.1	259.0	268.7	257.0	258.3	263.7	264.6	268.2	268.7
Farm-retail spread (1967=100)	233.9	239.3	248.0	249.4	248.0	247.8	247.2	248.6	247.6	249.4
Farm value/retail cost (%)	49.6	49.0	47.8	48.6	47.6	47.6	48.4	48.3	48.8	48.6
Poultry										
Retail cost (1967=100)	194.9	197.5	218.5	209.8	221.3	216.5	217.2	214.0	213.1	213.8
Farm value (1967=100)	201.9	213.0	251.7	251.8	259.5	233.7	244.3	236.3	251.0	244.2
Farm-retail spread (1967=100)	188.1	182.4	186.4	169.2	184.4	199.9	191.0	192.4	175.2	184.4
Farm value/retail cost (%)	50.7	53.1	56.6	59.0	57.7	53.1	55.3	54.3	58.2	56.2
Eggs										
Retail cost (1967=100)	178.7	187.1	209.0	234.0	182.7	179.3	178.6	177.8	175.6	185.7
Farm value (1967=100)	189.8	206.1	229.6	284.3	189.2	184.4	182.6	171.2	194.9	189.2
Farm-retail spread (1967=100)	162.7	159.5	179.2	161.4	173.3	171.9	172.8	187.3	147.7	180.6
Farm value/retail cost (%)	62.8	65.1	64.9	71.8	61.2	60.8	60.4	56.9	65.6	60.2
Cereal and bakery products										
Retail cost (1967=100)	283.4	292.5	305.3	297.1	306.6	307.8	307.9	308.7	309.0	310.7
Farm value (1967=100)	178.8	186.6	191.9	190.1	188.5	187.0	185.6	184.0	186.3	180.8
Farm-retail spread (1967=100)	305.1	314.0	328.8	319.2	331.0	332.8	333.2	334.5	334.4	337.2
Farm value/retail cost (%)	10.8	11.1	10.8	11.0	10.5	10.4	10.3	10.2	10.3	10.1
Fresh fruits										
Retail cost (1967=100)	323.2	303.6	345.3	353.5	364.2	374.0	388.5	377.5	366.5	353.5
Farm value (1967=100)	288.8	220.6	315.1	330.9	309.5	346.9	351.8	399.6	343.5	330.9
Farm-retail spread (1967=100)	338.7	340.8	358.9	363.6	388.7	386.2	405.0	367.6	376.8	363.6
Farm value/retail cost (%)	27.7	22.5	28.3	29.0	26.3	28.7	28.1	32.8	29.0	29.0
Fresh vegetables										
Retail costs (1967=100)	288.9	299.3	331.8	316.6	318.8	338.7	302.3	306.0	304.4	294.8
Farm value (1967=100)	261.3	267.4	299.3	295.6	315.9	367.0	272.8	255.4	215.7	216.8
Farm-retail spread (1967=100)	301.8	314.3	347.1	326.5	320.2	325.4	316.2	329.8	346.1	331.5
Farm value/retail cost (%)	28.9	28.6	28.9	29.9	31.7	34.6	28.8	26.7	22.7	23.5
Processed fruits and vegetables										
Retail cost (1967=100)	286.0	288.8	306.1	293.3	309.2	310.7	308.4	309.2	308.0	309.3
Farm value (1967=100)	321.1	300.5	343.2	309.5	347.0	349.3	349.4	359.1	364.2	364.5
Farm-retail spread (1967=100)	278.2	286.2	297.8	289.7	300.8	302.2	301.3	300.1	295.6	297.1
Farm value/retail costs (%)	20.4	18.9	20.3	19.1	20.3	20.4	20.5	21.1	21.4	21.4
Fats and oils										
Retail cost (1967=100)	259.9	263.1	288.0	278.2	291.4	295.4	295.1	294.9	293.0	293.7
Farm value (1967=100)	207.8	251.0	324.5	298.5	325.6	296.1	285.0	297.6	293.7	294.2
Farm-retail spread (1967=100)	279.9	267.8	273.9	270.4	278.3	295.1	299.0	293.9	291.9	293.5
Farm value/retail cost (%)	22.2	26.5	31.3	29.8	31.0	27.8	26.8	28.0	28.0	27.8

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 713, ERS, USDA.

Farm-retail price spreads

	Annual			1983	1984					
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Beef, Choice										
Retail price ¹ (cts./lb.)	242.5	238.1	239.6	230.3	236.3	237.1	235.2	234.9	236.6	240.3
Net carcass value ² (cts.)	150.7	145.4	147.6	148.3	148.5	144.0	139.3	136.6	146.5	149.5
Net farm value ³ (cts.)	140.5	136.2	140.0	138.4	140.9	137.0	131.6	130.2	139.8	142.5
Farm-retail spread (cts.)	102.0	101.9	99.6	91.9	95.4	100.1	103.6	104.7	96.8	97.8
Carcass-retail spread ⁴ (cts.)	91.8	92.7	92.0	82.0	87.8	93.1	95.9	98.3	90.1	90.8
Farm-carcass spread ⁵ (cts.)	10.2	9.2	7.6	9.9	7.6	7.0	7.7	6.4	6.7	7.0
Farm value/retail price (%)	58	57	58	60	60	58	56	55	59	59
Pork										
Retail price ¹ (cts./lb.)	175.4	169.8	162.0	158.1	162.2	166.1	163.6	163.9	162.4	163.5
Wholesale value ² (cts.)	121.8	108.9	110.1	110.8	117.9	115.9	111.7	101.3	106.8	112.7
Net farm value ³ (cts.)	88.0	76.5	77.4	76.6	85.9	82.6	75.0	70.1	76.6	79.6
Farm-retail spread (cts.)	87.4	93.3	84.6	81.5	76.3	83.5	88.6	93.8	85.8	83.9
Wholesale-retail spread ⁴ (cts.)	53.6	60.9	51.9	47.3	44.3	50.2	51.9	62.6	55.6	50.8
Farm-wholesale spread ⁵ (cts.)	33.8	32.4	32.7	34.2	32.0	33.3	36.7	31.2	30.2	33.1
Farm value/retail price (%)	50	45	48	48	63	50	46	43	47	49

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts: beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

Transportation Data

Rail rates; grain and fruit-vegetable shipments

	Annual			1983	1984					
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Rail freight rate index¹										
All products (1969=100)	351.4	355.8	372.2	357.2	372.4	372.4	372.5p	374.4p	374.4p	374.8p
Farm products (1969=100)	337.2	342.9	359.7	345.6	359.0	359.0	359.6p	364.2p	364.2p	364.2p
Grain (Dec. 1978=100)	159.5	160.2	168.2	160.7	167.9	167.9	167.9p	170.6p	170.6p	170.6p
Food products (1969=100)	353.2	356.6	373.1	357.2	373.2	373.2	373.2p	375.1p	374.7p	376.1p
Rail carloadings of grain (thou. cars) ²	24.9	26.1	26.1	26.4	26.6	28.7	30.2	24.5	28.2	26.4
Barge shipments of grain (mil. bu.) ³	41.2	40.8	37.2	38.5	33.7	31.8	41.4	49.4	56.6	36.2
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4}	387	551	568	566	633	520	459	319	454	511
Rail (thou. cwt.) ^{3,4}	698	769	641	785	476	266	362	398	458	635
Truck (thou. cwt.) ^{3,4}	7,849	7,873	7,881	7,784	9,754	7,923	6,607	6,699	7,556	7,962

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1984, p = preliminary.

Livestock and Products

Poultry and eggs

	Annual			1983		1984				
	1982	1983 p	1984 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Broilers										
Federally inspected slaughter, certified (mil. lb.)	12,039	12,389	12,991	941.6	1,102.7	1,210.5	1,022.2	1,212.8	1,018.7	987.8
Wholesale price, 9-city, (cts./lb.) ¹	44.0	49.4	55.8	57.1	57.3	51.5	53.5	48.8	52.1	51.7
Price of broiler grower feed (\$/ton)	210	223	233	240	233	225	221	221	220	216
Broiler-feed price ratio (lb.) ²	2.5	2.6	2.9	2.8	3.0	2.7	2.9	2.7	2.8	2.6
Broilers, stocks beginning of period (mil. lb.)	32.6	22.3	21.2	22.4	17.4	22.5	20.4	18.2	21.3	19.5
Average weekly placements of broiler chicks, 19 States (mil.)	80.2	80.4	83.1	79.9	84.0	84.4	80.1	78.6	79.0	84.5
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,459	2,563	2,573	189.0	240.6	279.1	253.6	320.6	271.7	182.0
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.8	60.5	74.4	76.1	68.6	72.4	76.2	82.6	91.5	97.3
Price of turkey grower feed (\$/ton)	229	247	245	262	246	238	239	232	225	220
Turkey-feed price ratio (lb.) ²	3.3	2.9	3.8	3.5	3.6	3.8	3.9	4.4	5.1	5.5
Turkeys, stocks beginning of period (mil. lb.)	238.4	203.9	161.8	251.6	226.3	278.2	331.0	390.6	415.4	195.6
Poults placed in U.S. (mil.)	(*)	181.8	190.0	12.5	18.8	13.5	8.8	10.7	11.8	12.2
Eggs										
Farm production (mil.)	69,680	68,169	68,193	5,773	5,747	5,762	5,619	5,852	5,742	6,037
Average number of layers on farms (mil.)	286	276	278	288	275	276	279	281	284	286
Rate of lay (eggs per layer)	243	247	245	21.1	20.9	20.9	20.1	20.8	20.2	21.1
Cartoned price, New York, grade A large (cts./doz.) ³	70.1	75.2	80.9	101.9	71.5	68.8	69.8	62.8	73.4	63.8
Price of laying feed (\$/ton)	190	204	206	219	209	202	198	194	190	187
Egg-feed price ratio (lb.) ³	6.1	6.1	6.9	7.6	5.7	5.6	5.9	5.7	6.5	6.2
Stocks, first of month										
Shell (thou. cases)	34	34	13	18	42	29	31	23	37	35
Frozen (mil. lb.)	23.7	25.4	11.8	13.4	16.4	17.5	16.6	16.7	17.9	16.2
Replacement chicks hatched (mil.)	444	407	45.6	34.4	37.8	35.1	32.6	31.4	30.1	27.0

¹ 12-city composite weighted average beginning April 25, 1983. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

³ Price of cartoned eggs to volume buyers for delivery to retailers. * Not reported.

Wool

	Annual			1983		1984				
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. wool price, Boston ¹ (cts./lb.)	247	212	229	228	230	230	230	221	218	214
Imported wool price, Boston ² (cts./lb.)	262	248	231	237	231	232	228	230	235	230
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	105,857	126,729	n.a.	11,803	8,309	10,027	11,378	8,651	9,063	n.a.
Carpet wool (thou. lb.)	9,825	11,400	n.a.	810	631	683	728	968	660	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 3/4" and up. ² Wool price delivered at U.S. mills, clean basis. Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. n.a. = not available.

Meat animals

	Annual			1983		1984				
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	7,201	8,316	8,006	7,614	7,125	6,811	6,747	7,442	8,221	8,544
Placed on feed (thou. head)	20,261	19,727	20,772	1,736	1,323	1,680	2,265	2,546	1,945	1,624
Marketings (thou. head)	18,007	18,680	18,785	1,425	1,553	1,683	1,489	1,657	1,501	1,414
Other disappearance (thou. head)	1,139	1,354	1,376	119	84	61	81	110	121	137
Beef steer-corn price ratio, Omaha (bu.) ²	26.5	20.6	21.6	20.6	20.4	20.7	21.3	22.5	24.6	25.6
Hog-corn price ratio, Omaha (bu.) ²	22.9	15.9	16.1	15.9	16.6	16.8	16.0	16.4	18.4	19.6
Market prices (\$ per cwt.)										
Slaughter cattle:										
Choice steers, Omaha	64.22	62.37	65.34	62.85	65.79	64.36	62.68	60.85	64.29	65.32
Utility cows, Omaha	39.96	39.35	39.81	33.58	41.48	40.86	39.20	38.57	36.86	36.56
Choice vealers, S. St. Paul	77.70	72.97	63.95	67.50	58.12	52.50	52.50	53.37	50.00	50.00
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	64.82	63.70	65.28	63.65	63.80	64.04	63.98	65.06	65.42	66.28
Slaughter hogs:										
Barrows and gilts, 7-markets	55.44	47.71	48.86	46.37	54.04	52.26	47.33	44.50	48.34	50.12
Feeder pigs:										
S. Mo., 40-50 lb. (per head)	51.14	34.03	39.12	27.65	34.27	34.22	34.95	33.23	36.62	35.58
Slaughter sheep and lambs										
Lambs, Choice, San Angelo	56.44	57.40	62.18	60.50	59.83	58.62	64.75	64.75	65.75	65.25
Ewes, Good, San Angelo	21.80	16.85	20.90	18.33	18.00	17.70	16.31	20.30	21.83	30.17
Feeder lambs										
Choice, San Angelo	53.31	54.87	61.02	60.00	54.25	57.81	59.56	65.17	71.00	69.00
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	101.31	97.83	98.01	99.82	101.26	97.61	94.37	92.38	99.08	101.22
Canner and Cutter cow beef	78.96	78.48	74.70	70.41	75.88	75.07	70.75	70.27	67.84	70.31
Pork loins, 8-14 lb. ³	111.51	—	96.36	—	114.92	102.41	97.57	86.07	87.37	95.40
Pork bellies, 12-14 lb.	76.54	60.58	60.08	54.59	64.75	62.17	58.00	52.80	60.49	64.31
Hams, skinned, 14-17 lb.	91.47	75.60	78.22	88.11	73.46	78.22	75.78	79.38	90.86	99.75
Commercial slaughter (thou. head)*										
Cattle	35,843	36,649	37,570	3,161	3,126	3,394	3,039	3,476	3,085	2,942
Steers	17,277	17,486	17,474	1,482	1,441	1,531	1,378	1,510	1,351	1,254
Helpers	10,394	10,758	10,691	852	935	998	892	1,048	875	895
Cows	7,354	7,597	8,617	772	680	786	701	843	795	734
Bulls and stags	818	808	788	55	70	79	68	75	64	59
Calves	3,021	3,076	3,292	294	275	314	267	308	298	268
Sheep and lambs	6,449	6,619	6,758	551	529	583	547	608	540	530
Hogs	82,190	87,584	85,156	7,612	6,002	6,844	6,646	8,150	7,600	6,991
Commercial production (mil. lb.)										
Beef	22,366	23,058	23,410	1,935	1,935	2,111	1,903	2,181	1,923	1,829
Veal	423	429	477	39	39	44	39	45	43	39
Lamb and mutton	356	368	372	29	28	31	29	33	30	30
Pork	14,121	15,120	14,718	1,468	1,040	1,175	1,139	1,411	1,327	1,219
	Annual			1983		1984				
	1982	1983	1984	III	IV	I	II	III	IV	I
Cattle on feed (13-States)										
Number on feed (thou. head) ¹	9,028	10,271	9,908	9,070	8,465	9,908	9,340	8,700	9,000	10,635
Placed on feed (thou. head)	24,414	23,776	24,884	5,583	7,272	5,511	5,562	6,252	7,559	—
Marketings (thou. head)	21,799	22,548	22,525	5,891	5,436	5,714	5,620	5,684	5,507	6,066
Other disappearance (thou. head)	1,373	1,591	1,632	297	393	365	582	268	417	—
Hogs and pigs (10-States)⁴										
Inventory (thou. head) ¹	42,890	44,150	42,420	45,645	46,030	44,150	40,070	41,915	43,180	42,420
Breeding (thou. head) ¹	5,708	5,638	5,348	6,263	5,839	5,638	5,446	5,771	5,550	5,348
Market (thou. head) ¹	37,182	38,512	37,072	39,382	40,191	38,512	34,624	36,144	37,630	37,072
Farrowings (thou. head)	9,062	9,735	9,020	2,422	2,377	1,984	2,481	2,259	2,316	—
Pig crop (thou. head)	66,797	72,733	67,680	17,836	17,663	14,288	18,814	17,158	17,420	—

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ Beginning January 1984 prices are for 14-17 lbs. ⁴ Quarters are Dec. preceding year-Feb. (II), Mar.-May (III), June-Aug. (III), and Sept.-Nov. (IV). ⁵ Intentions. *Classes estimated.

Dairy

	Annual			1983		1984				
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Milk prices, Minnesota-Wisconsin.										
3.5% fat (\$/cwt.) ¹	12.49	12.49	12.29	12.11	12.17	12.30	12.64	12.64	12.72	12.52
Price of 16% dairy ration (\$/ton)	177	188	191	205	192	188	184	179	177	176
Milk-feed price ratio (lb.) ²	1.54	1.45	1.41	1.34	1.34	1.39	1.48	1.56	1.62	1.60
Wholesale prices										
Butter, Grade A Chi. (cts./lb.)	147.7	147.3	148.8	143.1	155.6	150.6	158.1	158.1	158.1	145.6
Am. cheese, Wis. assembly pt. (cts./lb.)	138.3	138.3	138.0	136.7	136.7	138.6	144.3	143.8	139.7	137.5
Nonfat dry milk, (cts./lb.) ³	93.2	93.2	90.9	91.1	90.7	90.7	90.7	90.7	91.7	91.5
USDA net removals										
Total milk equiv. (mil. lb.) ⁴	14,281.6	16,813.7	8,644.7	920.0	529.0	266.7	46.5	102.5	70.3	397.2
Butter (mil. lb.)	382.0	413.2	202.6	19.0	1.6	-2.4	-2.4	-.3	.5	10.5
Am. cheese (mil. lb.)	642.5	832.8	447.3	52.9	49.9	21.8	9.3	10.7	6.0	18.1
Nonfat dry milk (mil. lb.)	948.1	1,061.0	678.4	36.0	64.3	52.3	29.4	36.9	24.1	36.0
Milk										
Total milk production (mil. lb.)	135,505	139,672	135,444	11,345	11,485	11,206	10,777	10,918	10,529	10,967
Milk per cow (lb.)	12,306	12,585	12,495	1,021	1,064	1,037	996	1,009	973	1,014
Number of milk cows (thou.)	11,011	11,098	10,840	11,113	10,796	10,807	10,825	10,821	10,823	10,814
Stocks, beginning⁵										
Total (mil. lb.)	18,377	20,054	22,646	23,019	23,332	22,626	21,805	20,742	19,252	17,993
Commercial (mil. lb.)	5,398	4,603	5,234	5,109	5,610	5,574	5,439	5,168	4,996	4,798
Government (mil. lb.)	12,980	15,451	17,412	17,911	17,722	17,052	16,367	15,573	14,255	13,195
Imports, total (mil. lb.) ⁶	2,477	2,616	n.a.	368	274	229	223	252	287	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	122,135	122,494	125,619	10,470	10,879	10,889	10,729	10,736	10,555	10,477
Butter										
Production (mil. lb.)	1,257.0	1,299.2	n.a.	109.6	72.8	70.6	69.1	86.5	81.1	n.a.
Stocks, beginning (mil. lb.)	429.2	466.8	499.4	506.7	516.7	489.6	462.7	426.3	374.3	335.9
Commercial disappearance (mil. lb.)	897.3	881.7	n.a.	88.5	70.7	71.1	75.9	91.4	85.6	n.a.
American cheese										
Production (mil. lb.)	2,752.3	2,927.6	n.a.	236.8	230.2	206.6	185.2	196.6	190.9	n.a.
Stocks, beginning (mil. lb.)	889.1	981.4	1,161.5	1,183.7	1,183.9	1,165.7	1,141.4	1,114.1	1,074.3	1,036.2
Commercial disappearance (mil. lb.)	2,166.8	2,083.2	n.a.	177.8	190.7	192.8	192.1	193.0	189.8	n.a.
Other cheese										
Production (mil. lb.)	1,789.4	1,890.8	n.a.	178.6	157.6	161.8	164.2	181.0	180.8	n.a.
Stocks, beginning (mil. lb.)	86.6	82.8	104.9	104.2	104.3	107.2	102.5	97.0	98.6	98.4
Commercial disappearance (mil. lb.)	2,044.6	2,133.3	n.a.	217.6	184.4	191.1	192.9	206.0	209.2	n.a.
Nonfat dry milk										
Production (mil. lb.)	1,400.5	1,499.9	n.a.	111.1	111.7	88.1	71.7	72.2	69.7	n.a.
Stocks, beginning (mil. lb.)	889.7	1,282.0	1,394.9	1,373.0	1,421.2	1,407.2	1,345.1	1,335.1	1,291.6	1,263.9
Commercial disappearance (mil. lb.)	447.7	459.9	n.a.	36.9	49.1	50.3	48.1	45.3	50.7	n.a.
Frozen dessert production (mil. gal.)⁷										
	1,178.2	1,221.3	n.a.	77.2	127.0	124.5	103.4	94.5	83.6	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk-equivalent, fat-basis. ⁵ Ice cream, ice milk, and sherbet. n.a. = not available.

Crops and Products

Food grains

	Marketing year ¹			1983	1984					
	1981/82	1982/83	1983/84	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale prices										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.27	3.94	3.83	3.85	3.67	3.80	3.89	3.86	3.85	3.76
Wheat, DNS, Minneapolis (\$/bu.) ²	4.17	3.94	4.21	4.20	4.21	3.72	3.57	3.64	3.64	3.48
Rice, S.W. La. 15/cwt. ³	20.20	18.00	19.38	19.50	19.25	19.25	19.25	19.25	18.00	18.00
Wheat										
Exports (mil. bu.)	1,771	1,509	1,429	131	138	148	246	141	100	134
Mill grind (mil. bu.)	631	656	n.a.	55	51	59	55	58	56	n.a.
Wheat flour production (mil. cwt.)	280	292	308	24	23	26	24	26	25	n.a.

	Marketing year ¹			1983			1984			
	1981/82	1982/83	1983/84	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Wheat										
Stocks, beginning (mil. bu.)	989	1,159	1,515	1,862	1,515	2,955	2,326	1,756	1,398	2,740
Domestic use										
Food (mil. bu.)	602	616	635	97	210	161	163	102	212	165
Feed and seed (mil. bu.) ⁴	254	318	477	12	316	118	44	31	395	63
Exports (mil. bu.)	1,771	1,509	1,429	228	475	362	364	226	645	374

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. n.a. = not available.

Feed grains

	Marketing year ¹			1983	1984					
	1981/82	1982/83	1983/84	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale prices										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.61	2.98	3.45	3.45	3.43	3.33	3.09	2.84	2.77	2.75
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.29	4.92	5.13	5.16	4.95	4.74	4.46	4.25	4.28	4.37
Barley, feed, Minneapolis (\$/bu.)	2.21	1.76	2.48	2.39	2.18	2.13	2.05	2.10	2.06	1.88
Barley, malting, Minneapolis (\$/bu.)	3.06	2.53	2.84	2.77	2.86	2.48	2.44	2.43	2.45	2.36
Exports										
Corn (mil. bu.)	1,967	1,870	1,866	176	130	136	109	155	246	208
Feed grains (mil. metric tons) ²	58.4	54.0	55.8	5.3	3.9	4.0	3.8	5.1	7.1	6.2
	Marketing year ¹			1983			1984			
	1981/82	1982/83	1983/84	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Corn										
Stocks, beginning (mil. bu.)	1,034	2,174	3,120	8,198	4,924	3,120	4,913	3,251	2,145	723
Domestic use:										
Feed (mil. bu.)	4,202	4,522	3,736	813	891	1,634	969	580	553	1,722
Food, seed, ind. (mil. bu.)	812	898	973	153	373	220	184	187	383	235
Feed grains²										
Stocks, beginning (mil. metric tons)	34.6	68.2	97.3	184.2	146.4	108.0	154.9	104.3	70.6	44.1
Domestic use:										
Feed (mil. metric tons)	128.5	139.5	117.4	24.4	29.5	49.3	29.4	18.1	20.2	54.4
Food, seed, ind. (mil. metric tons)	25.8	28.0	29.9	5.2	11.1	6.6	5.9	6.1	11.3	7.1

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Fats and oils

	Marketing year ¹			1983	1984					
	1981/82	1982/83	1983/84	Dec	July	Aug	Sept	Oct	Nov	Dec
Soybeans										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) ²	6.24	6.11	7.78	7.88	6.79	6.50	6.10	6.21	6.20	5.97
Crushings (mil. bu.)	1,029.7	1,108.0	983	89.4	68.9	71.1	65.6	89.2	98.9	101.1
Exports (mil. bu.)	929.1	905.2	740.3	74.5	39.1	30.6	18.9	40.9	93.4	87.3
Soybean oil										
Wholesale price, crude, Decatur (cts./lb.)	19.0	20.6	30.55	27.32	30.9	29.01	27.97	30.56	31.71	28.44
Production (mil. lb.)	10,979.4	12,040.4	10,872.0	990.9	788.2	619.4	755.8	995.4	1,070.2	1,095.5
Domestic disappearance (mil. lb.)	9,536.3	9,857.3	9,598	636.8	670.4	865.0	750.1	918.4	872.7	702.8
Exports (mil. lb.)	2,076.3	2,024.7	1,814	95.5	139.9	73.0	156.3	200.3	214.6	189.5
Stocks, beginning (mil. lb.)	1,736.1	1,102.5	1,261	1,660.6	1,011.8	989.6	871.1	720.5	597.2	580.1
Soybean meal										
Wholesale price, 44% protein, Decatur (\$/ton)	182.52	187.19	188.21	216.6	157.6	151.6	144.9	141.6	141.6	135.20
Production (thou. ton)	24,634.4	26,713.6	22,756.2	2,122.6	1,629.1	1,689.6	1,559.0	2,107.6	2,326.1	2,381.0
Domestic disappearance (thou. ton)	17,714.4	19,306.0	17,541.0	1,533.6	1,377.1	1,523.6	1,380.2	1,870.7	1,801.7	1,694.2
Exports (thou. ton)	6,907.5	7,108.7	5,436.1	644.7	287.7	278.8	166.1	256.2	474.7	635.7
Stocks, beginning (thou. ton)	162.7	175.2	474	466.8	391.2	355.5	242.7	255.4	236.1	285.7
Margarine, wholesale price, Chicago (cts./lb.)	41.4	41.4	46.3	48.3	55.6	55.5	55.2	53.50	55.00	55.25

¹ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. ² Beginning April 1, 1982, prices based on 30-day delivery, using upper end of the range.

Cotton

	Marketing year ¹			1983	1984					
	1981/82	1982/83	1983/84	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. price, SLM, 1-1/16 in. (cts./lb.)²										
	60.5	63.1	73.1	73.0	67.35	63.0	61.2	61.5	60.4	60.5
Northern Europe prices:										
Index (cts./lb.) ³	73.8	76.7	87.6	89.4	78.98	75.5	73.1	73.63	72.6	72.0
U.S. M 1-3/32" (cts./lb.) ⁴	75.9	78.0	87.1	89.3	78.94	75.9	74.0	74.69	73.3	74.0
U.S. mill consumption (thou. bales)	5,263.8	5,512.8	5,883.5	495.4	370.5	434.8	516.7	436.3	394.9	427.9
Exports (thou. bales)	6,567.3	5,206.8	6,786.0	663.2	387.9	478.7	279.8	307.0	507.0	660.0

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths

Fruit

	Annual			1983	1984					
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Producer price indexes										
Fresh fruit (1967=100)	235.4	250.6	260.1	258.9	251.1	268.0	301.5	272.5	261.0	269.7
Dried fruit (1967=100)	409.7	409.3	384.4	405.2	405.3	357.3	360.5	351.1	353.2	353.2
Canned fruit and juice (1967=100)	283.7	286.8	312.5	293.9	315.5	315.4	311.1	316.8	314.0	315.9
Frozen fruit and juice (1967=100)	305.6	300.9	350.5	301.8	353.3	352.8	358.0	365.7	363.5	361.8
F.o.b. shipping point prices										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	10.50	*12.00	*14.50	14.50	13.75	12.80	12.50
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	11.88	—	—	12.60	12.65	12.70	12.88
Oranges, U.S. avg. (\$/box) ³	11.10	14.40	15.40	12.90	22.50	23.50	22.36	25.32	19.00	18.41
Grapefruit, U.S. avg. (\$/box) ³	9.03	9.13	10.00	8.51	11.30	10.80	10.88	12.36	11.12	11.34
	Year ending			1983	1984					
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Stocks, ending										
Fresh apples (mil. lb.)	3,082.3	2,980.1	3,171.5	2,980.1	97.2	7.3	1,235.5	4,154.1	3,808.9	3,171.5
Fresh pears (mil. lb.)	180.9	250.6	184.9	250.6	6.3	100.0	396.1	303.6	243.5	184.9
Frozen fruit (mil. lb.)	627.5	644.7	694.5	644.7	581.9	715.8	704.8	771.4	734.1	694.5
Frozen fruit juices (mil. lb.)	1,157.6	924.9	941.9	924.9	1,141.9	1,065.9	913.2	873.5	891.6	941.9

¹ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. ² D'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. ³ F.D.B. packed fresh. ⁴ Control atmosphere storage. n.a. = not available.

Vegetables

	Annual			1983	1984					
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale prices										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	6.05	7.76	8.16	8.60	13.90	9.37	6.79	5.33	5.44	5.53
Iceberg lettuce (\$/crt.) ¹	5.92	6.29	5.08	7.25	4.26	7.58	6.65	9.50	3.75	5.60
Tomatoes (\$/crt.) ¹	7.40	8.69	8.52	5.14	7.25	10.45	6.38	4.46	4.39	5.25
Wholesale price index, 10 canned veg. (1977=100)	137	137	145	145	144	147	146	147	144	144
Grower price index, fresh commercial veg. (1977=100)	120	128	132	146	115	149	142	139	96	98

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1983	1984					
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . . .	19.92	22.04	21.74	21.47	21.89	21.72	21.70	21.56	21.40	21.10
U.S. deliveries (thou. short tons) ^{2,3} . . .	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid-August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1983	1984					
	1982	1983 p	1984 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Prices at auctions										
Flue-cured (cts./lb.) ¹	178.6	177.9	181.0	—	—	175.0	188.0	184.5	172.0	—
Burley (cts./lb.) ¹	180.3	179.5	187.6	177.2	—	—	—	—	188.0	187.5
Domestic consumption²										
Cigarettes (bil.)	634.0	600.0	593.0	40.8	49.4	62.5	53.5	n.a.	n.a.	n.a.
Large cigars (mil.)	3,659	3,605	3,540	280.8	238.6	323.6	303.5	n.a.	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1983	1984					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov p	Dec p
Composite green price, N.Y. (cts./lb.) . . .	122.10	132.00	131.51	145.09	142.88	143.66	143.84	137.72	138.26	136.12
Imports, green bean equivalent (mil.lb.) ¹ .	2,248	2,352	2,260	173	240	240	194	218	154	175F
	Annual			1983	1984					
	1981	1982	1983	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec p
Roastings (mil. lb.) ²	2,324	2,293	2,238	486	549	650	575	518	557	637

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = preliminary.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area			Production	Total supply ²	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested	Yield								
	Mil. acres		Bu/acre				Mil. bu				\$/bu
Wheat											
1980/81	80.6	71.0	33.4	2,374	3,279	51	725	1,514	2,290	989	3.91
1981/82	88.9	81.0	34.5	2,799	3,791	142	714	1,771	2,627	1,164	3.65
1982/83*	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84*	76.4	61.4	39.4	2,420	3,939	376	735	1,429	2,540	1,399	3.54
1984/85*	79.2	66.9	38.8	2,595	4,001	375	735	1,475	2,585	1,416	3.35-3.55
Rice											
	Mil. acres		lb/acre				Mil. cwt (rough equiv.)				\$/cwt
1980/81	3.38	3.31	4,413	146.2	172.1	*9.7	54.5	91.4	155.6	16.5	12.80
1981/82	3.83	3.79	4,819	182.7	199.6	*9.0	59.6	82.0	150.6	49.0	9.05
1982/83*	3.30	3.26	4,710	153.6	203.4	*8.9	54.0	68.9	131.8	71.5	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	*5.6	49.1	70.3	125.0	46.9	8.50
1984/85*	2.80	2.78	4,926	137.0	185.0	*7.0	54.0	64.0	125.0	60.0	8.00-8.60
Corn											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	84.0	73.0	91.0	6,639	8,258	4,133	735	2,355	7,223	1,034	3.11
1981/82	84.1	74.5	108.9	8,119	9,154	4,202	812	1,967	6,980	2,174	2.50
1982/83*	81.9	72.7	113.2	8,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84*	60.2	51.5	81.1	4,175	7,297	3,734	974	1,866	6,574	723	3.25
1984/85*	80.4	71.8	106.6	7,650	8,375	4,200	1,050	2,025	7,275	1,100	2.60-2.75
Sorghum											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	15.6	12.5	46.3	579	726	301	11	305	617	109	2.94
1981/82	15.9	13.7	64.0	676	984	428	11	249	688	296	2.39
1982/83*	18.0	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84*	11.9	10.0	48.7	488	888	381	10	246	637	251	2.84
1984/85*	17.2	15.3	56.4	866	1,117	500	10	250	760	357	2.30-2.45
Barley											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	8.3	7.3	49.7	361	563	174	175	77	426	137	2.86
1981/82	9.6	9.0	52.4	474	820	198	174	100	473	148	2.45
1982/83*	9.5	9.0	57.2	516	675	241	170	47	458	217	2.23
1983/84*	10.4	9.7	52.3	509	733	280	172	92	544	189	2.50
1984/85*	11.9	11.2	53.4	597	796	275	175	100	550	246	2.30-2.40
Oats											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	13.4	8.7	53.0	458	697	432	74	13	520	177	1.79
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83*	14.0	10.3	57.8	593	749	441	85	3	529	220	1.49
1983/84*	20.3	9.1	52.6	477	727	466	78	2	546	181	1.67
1984/85*	12.4	8.1	58.1	472	683	440	80	3	523	160	1.65-1.80
Soybeans											
	Mil. acres		Bu/acre				Mil. bu				\$/bu
1980/81	70.0	67.9	26.4	1,792	2,151	*89	1,020	724	1,833	318	7.57
1981/82	67.8	66.4	30.1	2,000	2,318	*93	1,030	929	2,052	266	6.04
1982/83*	70.9	69.4	31.5	2,190	2,444	*86	1,108	905	2,099	345	5.69
1983/84*	83.8	62.5	26.2	1,636	1,981	*82	983	740	1,806	176	7.75
1984/85*	67.7	66.1	28.2	1,881	2,037	*87	1,020	735	1,842	195	6.00-7.20
Soybean oil											
							Mil. lbs				c/lb
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83*	—	—	—	12,041	13,144	—	9,856	2,025	11,883	1,261	20.6
1983/84*	—	—	—	10,872	12,133	—	9,598	1,814	11,412	721	30.6
1984/85*	—	—	—	11,394	12,000	—	9,700	1,750	11,470	665	26.0-32.0
Soybean meal											
							Thou. tons				\$/ton
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218
1981/82	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83*	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84*	—	—	—	22,758	23,232	—	17,541	5,436	22,977	255	188
1984/85*	—	—	—	24,435	24,690	—	18,950	5,200	24,150	540	145-165

See footnotes at end of table

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total supply ¹	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre			Mil. bales					c/lb
Cotton											
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	\$2.7	74.4
1981/82	14.3	13.8	542	15.6	18.3	—	5.3	6.6	11.8	\$6.6	54.0
1982/83*	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	\$7.9	59.1
1983/84*	7.9	7.3	508	7.8	15.7	—	5.9	6.8	12.7	\$2.8	66.0
1984/85*	11.1	10.5	610	13.3	16.1	—	5.3	6.5	11.8	\$4.3	—

Supply and utilization—metric measure⁶

	Mil. hectares		Metric tons/ha			Mil. metric tons					\$/metric ton
Wheat											
1980/81	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82	36.0	32.8	2.32	76.2	103.2	3.9	19.4	48.2	71.5	31.7	134
1982/83*	35.4	32.0	2.39	75.3	107.0	5.3	16.8	41.1	65.8	41.2	130
1983/84*	31.1	24.9	2.65	65.9	107.2	10.2	20.0	38.9	69.1	38.1	130
1984/85*	32.0	27.1	1.57	70.6	108.8	10.2	20.0	40.5	70.3	38.5	121-130
Mil. metric tons (rough equiv.)											
Rice											
1980/81	1.4	1.3	4.95	6.6	7.8	7.04	2.5	4.2	7.1	0.7	282
1981/82	1.5	1.5	5.40	8.3	9.0	7.04	2.7	3.7	6.8	2.2	200
1982/83*	1.3	1.3	5.28	7.0	9.2	7.04	2.5	3.1	6.0	3.2	179
1983/84*	0.9	0.9	5.15	4.5	7.8	7.02	2.2	3.2	5.7	2.1	187
1984/85*	1.1	1.1	5.52	6.2	8.4	7.03	2.4	2.9	5.7	2.7	176-190
Mil. metric tons											
Corn											
1980/81	34.0	29.5	5.72	168.6	209.8	105.0	18.7	59.8	183.5	26.3	122
1981/82	34.0	30.1	6.85	206.2	232.5	106.7	20.6	50.0	177.3	55.2	98
1982/83*	33.1	29.4	7.12	209.2	264.4	114.9	22.8	47.6	185.2	79.3	106
1983/84*	24.4	20.8	5.10	106.0	185.3	94.8	24.7	47.4	167.0	18.4	128
1984/85*	32.5	29.1	6.68	194.3	212.7	106.7	26.7	51.4	184.8	27.9	104-108
Feed Grain											
1980/81	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82	49.9	43.1	5.71	246.2	281.1	128.5	25.8	58.6	212.9	68.2	—
1982/83*	49.1	42.9	5.83	250.2	318.7	139.4	28.0	54.0	221.4	97.3	—
1983/84*	41.6	32.5	4.20	136.4	234.4	117.4	29.9	55.7	202.9	31.5	—
1984/85*	49.3	43.1	5.49	236.1	268.3	131.8	31.9	60.0	223.7	44.7	—
Soybeans											
1980/81	28.3	27.5	1.78	48.8	58.5	4.24	27.8	19.7	49.9	8.7	278
1981/82	27.4	26.9	2.03	54.4	63.1	4.25	28.0	25.3	55.8	7.2	222
1982/83*	28.7	28.1	2.15	59.6	66.5	4.24	30.2	24.6	57.1	9.4	209
1983/84*	25.8	25.3	1.23	44.5	53.9	4.22	26.8	20.1	49.1	4.8	285
1984/85*	27.4	26.7	1.14	50.6	55.4	4.24	27.7	20.0	50.1	5.3	210-265
Soybean oil											
1980/81	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83*	—	—	—	5.46	5.96	—	4.47	.92	5.39	.57	454
1983/84*	—	—	—	4.93	5.50	—	4.35	.82	5.17	.32	675
1984/85*	—	—	—	5.16	5.44	—	4.39	.79	5.20	.30	550-685
Soybean meal											
1980/81	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82	—	—	—	22.36	22.51	—	16.08	6.27	22.35	.16	201
1982/83*	—	—	—	24.24	24.39	—	17.52	6.45	23.96	.43	206
1983/84*	—	—	—	20.65	21.08	—	15.91	4.93	20.84	.23	207
1984/85*	—	—	—	22.17	22.39	—	17.19	4.71	21.90	.49	160-185
\$/kg											
Cotton											
1980/81	5.9	5.3	.46	2.42	3.07	—	1.28	1.28	2.56	\$.59	1.64
1981/82	5.8	5.7	.60	3.41	3.99	—	1.15	1.43	2.58	\$1.44	1.19
1982/83*	4.6	3.9	.67	2.60	4.05	—	1.20	1.13	2.33	\$1.72	1.30
1983/84*	3.2	3.0	.56	1.69	3.42	—	1.28	1.48	2.76	\$.61	1.46
1984/85*	4.5	4.2	.69	2.90	3.51	—	1.15	1.42	2.57	\$.94	—

*February 11, 1985 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual		1983		1984			
	1982	1983	1984 p	IV	I	II	III r	IV p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product¹	3,069.3	3,304.8	3,661.3	3,431.7	3,553.3	3,644.7	3,694.6	3,752.5
Personal consumption expenditures	1,984.9	2,155.9	2,342.3	2,230.2	2,276.5	2,332.7	2,361.4	2,398.6
Durable goods	245.1	279.8	318.4	299.8	310.9	320.7	317.2	324.7
Nondurable goods	757.5	801.7	858.3	823.0	841.3	858.3	861.4	872.1
Clothing and shoes	118.8	127.0	140.3	132.5	136.1	142.2	139.3	143.7
Food and beverages	392.8	416.5	444.3	425.1	433.9	442.1	448.6	452.6
Services	982.2	1,074.4	1,165.7	1,107.5	1,124.4	1,153.7	1,182.8	1,201.8
Gross private domestic investment	414.9	471.6	637.3	540.0	623.8	627.0	662.8	635.5
Fixed investment	441.0	485.1	580.4	527.3	550.0	576.4	591.0	604.3
Nonresidential	349.6	352.9	426.0	383.9	398.8	420.8	435.7	448.9
Residential	91.4	132.2	154.4	143.4	151.2	155.6	155.3	155.4
Change in business inventories	-26.1	-13.5	56.8	12.7	73.8	50.6	71.8	31.1
Net exports of goods and services	19.0	-8.3	-66.3	-29.8	-51.5	-58.7	-90.6	-64.3
Exports	348.4	336.2	363.7	346.1	358.9	362.4	368.6	364.7
Imports	329.4	344.4	429.9	375.9	410.4	421.1	459.3	429.0
Government purchases of goods and services	650.5	685.5	748.0	691.4	704.4	743.7	761.0	782.7
Federal	258.9	269.7	295.5	266.3	267.6	296.4	302.0	316.1
State and local	391.5	415.8	452.4	425.1	436.8	447.4	458.9	466.6
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,480.0	1,534.7	1,639.0	1,572.7	1,610.9	1,638.8	1,645.2	1,661.1
Personal consumption expenditures	963.3	1,009.2	1,062.6	1,032.4	1,044.1	1,064.2	1,065.9	1,076.2
Durable goods	140.5	157.5	177.9	167.2	173.7	178.6	177.0	182.1
Nondurable goods	363.1	376.3	394.2	383.2	387.1	396.6	395.5	397.5
Clothing and shoes	84.2	88.5	96.5	91.4	94.2	99.1	95.9	97.0
Food and beverages	182.3	188.9	193.7	191.2	189.7	193.6	195.6	196.1
Services	459.8	475.4	490.6	482.0	483.4	488.9	493.5	496.6
Gross private domestic investment	194.3	221.0	289.7	249.5	285.5	283.9	300.2	289.1
Fixed investment	204.7	224.6	265.5	242.2	253.9	263.7	269.6	274.9
Nonresidential	166.9	171.0	205.2	184.5	193.3	202.9	209.5	215.1
Residential	37.9	53.7	60.3	57.8	60.6	60.8	60.1	59.8
Change in business inventories	-10.4	-3.6	24.2	7.2	31.6	20.3	30.6	14.2
Net exports of goods and services	29.7	12.6	-15.5	2.0	-8.3	-11.4	-27.0	-15.2
Exports	147.6	139.5	145.8	141.0	144.9	144.7	147.4	146.2
Imports	118.0	126.9	161.3	139.1	153.2	156.2	174.4	161.4
Government purchases of goods and services	292.7	291.9	302.2	288.8	289.5	302.1	306.1	311.0
Federal	117.0	116.2	122.4	113.0	112.2	123.2	125.0	129.1
State and local	175.7	175.7	179.8	175.8	177.3	178.9	181.1	181.9
New plant and equipment expenditures (\$bil.)	282.7	269.2	307.6	284.0	293.2	302.7	313.1	321.4
Implicit price deflator for GNP (1972=100)	207.38	215.34	223.38	218.21	220.58	222.40	224.57	225.90
Disposable income (\$bil.)	2,180.5	2,340.1	2,578.1	2,428.6	2,502.2	2,554.3	2,606.4	2,649.4
Disposable income (1972 \$bil.)	1,058.3	1,095.4	1,169.5	1,124.3	1,147.6	1,165.3	1,176.5	1,188.7
Per capita disposable income (\$)	9,385	9,977	10,893	10,318	10,608	10,806	11,000	11,154
Per capita disposable income (1972 \$)	4,555	4,670	4,941	4,776	4,865	4,930	4,965	5,004
U.S. population, total, incl. military								
abroad (mil.)	232.4	234.5	236.9	235.4	235.9	236.4	237.0	237.6
Civilian population (mil.)	230.1	232.3	234.5	233.2	233.7	234.2	234.8	235.4

See footnotes at end of next table.

Selected monthly indicators

	Annual		1983		1984					
	1981	1982	1983	Dec	July	Aug	Sept	Oct	Nov	Dec p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	151.0	138.6	147.6	156.2	165.9	166.0	165.0	164.5	165.2	166.2
Manufacturing (1967=100)	150.4	137.6	148.2	156.8	167.3	167.6	166.6	166.4	167.1	168.1
Durable (1967=100)	140.5	124.7	134.5	145.0	157.2	157.8	157.1	157.0	157.6	158.3
Nondurable (1967=100)	164.8	156.2	168.1	173.9	181.8	181.7	180.3	180.0	180.7	182.3
Leading economic indicators ² (1967=100)	140.9	136.8	156.0	163.4	164.0	163.9	165.2	164.2	165.2	164.9
Employment ³ (mil. persons)	100.4	99.5	100.8	103.0	105.4	105.1	105.4	105.6	105.9	106.3
Unemployment rate ⁴ (%)	7.5	9.5	9.5	8.2	7.5	7.5	7.4	7.3	7.1	7.2
Personal income ⁵ (\$ bil. annual rate)	2,429.5	2,584.6	2,744.2	2,860.4	3,027.7	3,045.8	3,068.3	3,081.8	3,101.5	3,118.0
Hourly earnings in manufacturing ⁶ (\$)	7.99	8.50	8.83	9.04	9.18	9.14	9.22	9.22	9.30	9.39
Money stock-M1 (daily avg.) (\$bil.) ⁷	\$440.6	\$478.2	\$528.0	528.0	546.9	548.9	551.5	548.4	553.9	558.7
Money stock-M2 (daily avg.) (\$bil.) ⁸	\$1,794.9	\$1,959.5	\$2,188.8	2,188.8	2,280.3	2,292.9	2,308.4	2,318.7	2,345.9	2,371.6
Three-month Treasury bill rate ⁹ (%)	14.029	10.686	8.63	8.96	10.13	10.49	10.41	9.97	8.79	8.16
Aaa corporate bond yield (Moody's) ¹⁰ (%)	14.17	13.79	12.04	12.57	13.44	12.87	12.66	12.63	12.29	12.13
Interest rate on new home mortgages ¹¹ (%)	14.70	15.14	12.57	12.42	12.50	12.43	12.53	12.77	12.75	12.55
Housing starts, private (incl. farm) (thou.)	1,084	1,062	1,703	1,704	1,730	1,590	1,669	1,564	1,600	1,595
Auto sales at retail, total ¹² (mil.)	8.5	8.0	9.2	10.6	10.6	10.0	10.3	9.7	9.8	11.0
Business sales, total ¹³ (\$ bil.)	355.8	343.5	367.1	395.7	411.4	411.2	410.5	410.6	415.0p	—
Business inventories, total ¹⁴ (\$ bil.)	523.6	505.5	514.3	514.3	551.4	556.5	560.4	563.8	564.2p	—
Sales of all retail stores (\$ bil.) ¹⁵	87.0	89.5	97.8	102.4	107.4	106.6	108.2	108.7	110.9p	110.8
Durable goods stores (\$ bil.)	26.3	27.0	32.1	35.5	37.5	36.8	37.0	38.4	39.3p	38.9
Nondurable goods stores (\$ bil.)	60.7	62.5	65.7	66.9	70.0	69.8	71.2	70.3	71.6p	71.9
Food stores (\$ bil.)	19.9	20.8	21.6	21.7	23.2	22.8	23.4	23.2	23.5p	23.3
Eating and drinking places (\$ bil.)	8.2	8.6	9.6	9.7	10.5	10.7	10.5	10.4	10.7p	10.8
Apparel and accessory stores (\$ bil.)	4.2	4.3	4.5	4.7	4.9	4.8	5.0	4.9	5.1p	5.2

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. r = revised.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual		1983		1984					
	1982	1983	1984	Dec	July	Aug	Sept	Oct	Nov	Dec
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.38	4.30	4.17	4.17	4.05	4.18	4.28	4.20	4.16	4.08
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.80	3.49	3.50	3.67	3.63	3.56	3.43	3.12	3.04	2.98
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.81	3.34	3.00	3.33	2.93	2.78	2.72	2.62	2.69	2.76
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.36	7.31	7.38	8.26	7.00	6.98	6.47	6.41	6.49	6.25
Soybean oil, Decatur (cts./lb.)	18.33	23.51	30.75	27.37	30.43	28.88	27.54	30.23	31.92	28.55
Soybean meal, Decatur (\$/ton)	179.70	200.91	166.80	218.01	158.05	151.35	144.55	141.02	136.27	136.18
Cotton, 10 market avg. spot (cts./lb.)	60.10	68.68	68.37	73.04	67.35	63.01	61.16	61.15	60.43	60.45
Tobacco, avg. price of auction (cts./lb.)	172.20	173.96	173.99	168.48	166.06	174.92	188.03	184.58	188.03	185.04
Rice, f.o.b. mill, Houston (\$/cwt.)	18.89	19.39	19.47	20.00	19.50	19.38	18.69	18.75	18.75	18.75
Inedible tallow, Chicago (cts./lb.)	12.85	13.41	17.47	15.13	17.10	16.25	16.94	17.77	19.00	17.50
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.41	1.33	1.46	1.52	1.45	1.45	1.46	1.40	1.38	1.38
Sugar, N.Y. spot (cts./lb.)	19.86	22.04	21.74	21.47	21.89	21.72	21.70	21.55	21.39	21.10
Rubber, N.Y. spot (cts./lb.)	45.48	56.19	49.70	58.08	46.49	46.45	46.30	43.58	42.67	42.24
Cocoa beans, N.Y. (\$/lb.)75	.92	1.06	1.12	.97	.99	1.04	1.00	1.01	.96
Bananas, (\$/40-lb. box)	6.80	7.93	6.70	n.a.	6.65	6.16	6.88	5.60	4.88	5.43

p = Preliminary. n.a. = not available.

U.S. agricultural exports by regions

Region and country	January-November		November		Change from year earlier	
	1983	1984	1983	1984	January-November	November
	\$ Mil.				Percent	
Western Europe	9,043	7,892	985	839	-13	-15
European Community	6,728	5,801	735	632	-14	-14
Belgium-Luxembourg	749	664	87	56	-11	-36
France	431	452	41	53	5	29
Germany, Fed. Rep.	1,379	981	202	127	-29	-37
Italy	667	712	69	54	7	-22
Netherlands	2,393	2,020	220	253	-16	15
United Kingdom	743	676	83	63	-9	-24
Other Western Europe	2,314	2,092	248	207	-10	-17
Portugal	616	626	64	46	2	-28
Spain	1,029	941	116	93	-9	-20
Switzerland	310	269	26	37	-13	42
Eastern Europe	757	672	74	84	-11	14
German Dem. Rep.	118	108	21	17	-8	-19
Poland	179	169	21	17	-6	-19
USSR	1,220	2,486	224	367	104	64
Asia	12,650	13,610	1,412	1,418	8	0
West Asia (Mideast)	1,406	1,808	133	177	29	33
Turkey	27	266	(1)	36	885	100
Iraq	323	459	9	36	42	300
Israel	275	307	41	29	12	-29
Saudi Arabia	407	452	45	43	11	-4
South Asia	950	785	65	58	-17	-11
India	635	256	59	29	-60	-51
Pakistan	175	292	4	1	67	-75
East and Southeast Asia	10,293	11,017	1,213	1,183	7	-2
China	449	570	78	25	27	-68
Taiwan	1,122	1,260	92	150	12	63
Japan	5,651	6,188	746	757	10	1
Korea, Rep.	1,651	1,540	172	132	-7	-23
Hong Kong	326	379	39	37	16	-5
Indonesia	383	382	30	29	0	-3
Philippines	308	300	10	24	-3	140
Africa	2,252	2,776	186	226	23	22
North Africa	1,434	1,587	67	127	11	90
Morocco	207	378	3	22	83	633
Algeria	195	171	10	17	-12	70
Egypt	922	869	48	71	-6	48
Other Africa	818	1,188	119	99	45	-17
Nigeria	284	307	32	31	8	-3
Rep. S. Africa	202	446	62	37	121	-40
Latin America and Caribbean	4,772	4,797	434	416	1	-4
Brazil	416	438	62	73	5	18
Caribbean Islands	703	747	73	54	6	-26
Colombia	231	199	21	19	-14	-10
Mexico	1,812	1,849	112	147	2	31
Peru	284	160	43	16	-44	-63
Venezuela	589	689	67	67	17	0
Canada	1,706	1,817	139	148	7	6 ¹
Oceania	199	209	26	29	5	12
Total	32,598	34,260	3,479	3,528	5	1

¹ Less than \$500,000.

U.S. agricultural imports

	January-November				November			
	1983	1984	1983	1984	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	1,236	1,914	460,804	556,082	71	149	29,672	49,042
Meats and preps., excl. poultry (mt)	874	908	1,936,437	1,899,620	56	79	123,455	164,165
Beef and veal (mt)	617	554	1,307,853	1,148,931	34	46	73,536	91,907
Pork (mt)	232	328	564,252	693,816	20	31	43,913	67,379
Dairy products (mt)	268	378	619,775	692,064	26	39	62,903	67,646
Poultry and products	—	—	90,548	111,660	—	—	8,465	8,721
Fats, oils, and greases (mt)	10	17	5,699	12,044	1	1	772	1,096
Hides and skins, incl. furskins	—	—	160,951	215,517	—	—	5,591	14,209
Wool, unmanufactured (mt)	41	51	133,083	168,667	5	3	15,532	10,722
Grains and feeds (mt)	1,515	1,776	416,991	513,998	114	155	42,055	49,994
Fruits, nuts, and preparations	—	—	1,717,133	2,284,197	—	—	144,761	206,075
Bananas and plantains (mt)	2,333	2,536	546,761	628,038	206	205	46,293	53,079
Vegetables and preparations (mt)	1,582	1,942	987,029	1,233,962	130	123	68,383	71,535
Tobacco, unmanufactured (mt)	228	177	712,135	523,301	18	18	50,037	54,094
Cotton, unmanufactured (mt)	15	27	8,219	16,393	4	1	1,768	870
Seeds (mt)	78	76	83,793	92,177	5	3	6,567	7,075
Nursery stock and cut flowers	—	—	220,069	286,089	—	—	19,459	26,677
Sugar, cane or beet (mt)	2,415	2,524	937,706	1,045,784	302	284	113,612	121,590
Oilseeds and products (mt)	1,017	959	516,308	733,080	132	93	78,016	67,044
Oilseeds (mt)	187	179	82,529	78,625	29	22	10,969	9,011
Protein meal (mt)	88	100	15,047	16,676	14	12	2,611	1,362
Vegetable oils (mt)	742	679	418,732	637,778	89	60	64,435	56,672
Beverages excl. fruit juices (hl)	11,616	13,129	1,251,582	1,423,515	1,117	1,242	136,212	147,477
Coffee, tea, cocoa, spices, etc. (mt)	1,520	1,660	3,624,920	4,521,951	128	128	331,915	344,383
Coffee, incl. products (mt)	943	1,031	2,550,479	3,063,077	85	71	239,948	203,602
Cocoa beans and products (mt)	419	439	777,977	1,047,556	27	39	64,737	99,011
Rubber and allied gums (mt)	627	739	596,901	767,859	72	64	75,546	59,645
Other	—	—	694,745	790,143	—	—	68,428	67,968
Total	—	—	15,194,828	17,888,103	—	—	1,383,149	1,540,029

Trade balance

	January-November		November	
	1983	1984	1983	1984
	\$ Mil.			
Exports				
Agricultural	32,598	34,260	3,479	3,528
Nonagricultural	146,265	159,181	12,939	14,109
Total ¹	178,863	193,441	16,418	17,637
Imports				
Agricultural	15,195	17,888	1,383	1,540
Nonagricultural	219,982	280,964	21,791	25,718
Total ²	235,177	298,852	23,174	27,258
Trade balance				
Agricultural	17,403	16,372	2,096	1,988
Nonagricultural	-73,717	-121,783	-8,852	-11,609
Total	-56,314	-105,411	-6,756	-9,621

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports

	January-November				November			
	1983	1984	1983	1984	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	620	715	261,160	231,620	67	86	38,746	22,560
Meats and preps., excl. poultry (mt)	383	383	847,433	855,757	41	34	86,811	79,900
Dairy products (mt)	333	376	337,662	350,110	35	29	36,609	30,648
Poultry meats (mt)	220	209	252,707	257,536	20	21	25,357	25,596
Fats, oils, and greases (mt)	1,302	1,232	540,117	648,275	135	100	59,198	53,563
Hides and skins incl. furskins	—	—	915,595	1,273,904	—	—	78,475	107,336
Cattle hides, whole (no.)	19,378	22,969	655,207	981,084	1,757	2,138	65,309	90,135
Mink pelts (no.)	2,203	2,447	55,977	65,580	30	40	412	933
Grains and feeds (mt)	95,521	100,480	14,708,633	15,659,941	9,387	10,597	1,507,805	1,463,716
Wheat and wheat flour (mt)	36,629	39,561	5,927,610	6,137,642	2,869	2,683	467,821	407,470
Rice (mt)	2,247	2,040	857,308	791,646	191	163	72,379	62,486
Feed grains, excl. products (mt)	49,086	51,674	6,494,156	7,341,996	5,683	6,990	835,915	863,493
Feeds and fodders (mt)	6,797	6,459	1,136,506	1,087,046	565	696	99,651	102,934
Other grain products (mt)	762	746	293,053	301,611	79	65	32,039	27,333
Fruits, nuts, and preparations (mt)	1,972	1,760	1,696,936	1,702,014	193	191	172,534	182,441
Vegetables and preparations (mt)	1,425	1,389	892,510	904,961	151	152	102,696	99,809
Tobacco, unmanufactured (mt)	210	211	1,289,291	1,299,931	40	45	258,505	266,886
Cotton, excl. linters (mt)	1,057	1,354	1,584,640	2,206,549	101	110	157,037	180,351
Seeds (mt)	242	242	300,203	292,189	20	22	32,734	31,383
Sugar, cane or beet (mt)	165	258	44,865	65,229	15	20	4,372	4,280
Oilseeds and products (mt)	29,000	23,883	7,836,319	7,458,396	2,598	3,352	803,337	879,013
Oilseeds (mt)	21,521	18,370	5,613,628	5,379,718	1,914	2,742	584,201	678,846
Soybeans (mt)	20,677	17,108	5,301,626	4,854,023	1,883	2,544	564,390	610,475
Protein meal (mt)	6,113	4,058	1,412,002	935,035	596	465	149,588	91,058
Vegetable oils (mt)	1,367	1,454	810,689	1,143,644	88	145	69,548	109,109
Essential oils (mt)	9	10	84,469	83,932	1	1	8,350	7,371
Other	—	—	1,005,792	969,160	—	—	106,889	92,755
Total	—	—	32,598,332	34,259,504	—	—	3,479,455	3,527,608

Indexes of nominal and real trade-weighted dollar exchange rates

	1984											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
	April 1971=100											
Total agriculture												
Nominal ¹	505.7	538.8	580.4	618.9	661.8	710.1	770.3	823.2	899.3	938.9	1,067.0	1,152.1
Real ²	98.2	96.5	94.4	95.6	97.8	98.0	*100.2	*100.6	*102.8	*103.4	*102.7	*104.7
Soybeans												
Nominal	157.5	155.1	152.9	155.0	162.1	162.4	166.8	168.0	172.6	175.6	175.2	180.6
Real	94.6	92.1	89.3	90.4	93.2	93.4	*96.5	*97.4	*100.7	*101.6	*99.9	*102.7
Wheat												
Nominal	2,126.0	2,333.9	2,588.1	2,802.5	3,017.9	3,304.7	3,645.3	3,957.5	4,394.5	4,612.3	5,378.3	5,864.4
Real	102.7	102.2	101.1	102.3	103.5	104.1	*104.4	*104.4	*105.2	*104.8	*106.1	*106.9
Corn												
Nominal	497.1	526.7	563.2	598.6	640.6	684.1	740.4	789.2	860.0	897.8	1,013.2	1,092.5
Real	97.7	95.4	92.7	93.6	96.5	96.5	*99.4	*100.2	*103.1	*104.0	*102.7	*105.4
Cotton												
Nominal	182.5	181.4	180.4	184.0	185.8	187.2	190.3	191.1	193.1	194.5	195.0	199.5
Real	93.6	92.8	91.6	92.1	93.3	94.2	*95.6	*96.1	*96.9	*97.6	*97.8	*99.2

¹ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. ² Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

*Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.

World Agricultural Production

World supply and utilization of major crops

	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85 F
	Mil. units						
Wheat							
Area (hectare)	228.9	227.6	236.5	239.3	238.9	228.8	231.9
Production (metric ton)	446.8	422.8	442.7	448.6	478.6	489.5	513.5
Exports (metric ton) ¹	72.0	86.0	94.1	101.3	98.6	103.2	107.3
Consumption (metric ton) ²	430.2	443.5	445.3	441.7	467.1	485.4	505.4
Ending stocks (metric ton) ³	100.9	80.4	78.5	85.6	97.2	101.3	109.3
Coarse grains							
Area (hectare)	342.8	341.1	336.6	343.9	333.2	330.5	334.0
Production (metric ton)	753.6	741.5	732.0	768.7	778.7	690.0	796.9
Exports (metric ton) ¹	90.2	98.8	108.8	97.8	91.1	90.7	99.4
Consumption (metric ton) ²	748.1	740.3	741.6	739.6	752.6	760.9	780.3
Ending stocks (metric ton) ³	91.2	91.6	83.3	112.6	138.7	67.8	84.4
Rice, milled							
Area (hectare)	144.1	143.1	144.3	145.1	141.1	144.4	144.7
Production (metric ton)	260.7	253.9	271.0	280.3	285.5	306.9	313.8
Exports (metric ton) ¹	11.6	12.7	13.1	11.6	11.8	12.3	11.5
Consumption (metric ton) ²	255.8	257.8	272.2	281.4	289.5	306.9	311.7
Ending stocks (metric ton) ³	27.7	23.4	22.1	21.2	17.2	17.2	19.3
Total grains							
Area (hectare)	715.8	711.8	717.4	728.3	713.2	703.7	710.6
Production (metric ton)	1,461.1	1,418.2	1,445.7	1,497.5	1,542.8	1,486.4	1,624.2
Exports (metric ton) ¹	173.8	197.5	216.0	210.7	201.5	206.2	218.2
Consumption (metric ton) ²	1,434.1	1,441.9	1,459.1	1,462.7	1,509.2	1,553.2	1,597.4
Ending stocks (metric ton) ³	219.8	195.4	183.9	219.4	253.1	186.3	213.0
Oilseeds and meals^{4,5}							
Production (metric ton)	82.1	90.6	87.7	93.2	96.2	91.4	97.1
Trade (metric ton)	40.6	51.8	47.9	53.9	55.5	51.6	52.8
Fats and oils⁵							
Production (metric ton)	48.5	52.0	52.4	55.2	57.2	56.5	59.3
Trade (metric ton)	19.3	20.7	19.7	21.0	21.6	20.7	22.1
Cotton							
Area (hectare)	32.4	32.2	32.4	33.2	31.9	31.5	33.9
Production (bale)	59.6	65.2	64.8	70.8	67.5	67.6	81.8
Exports (bale)	19.7	23.1	19.7	20.2	19.4	19.4	20.7
Consumption (bale)	62.0	65.3	65.9	65.5	68.0	68.8	69.8
Ending stocks (bale)	24.1	24.0	24.1	28.7	24.9	24.5	36.3

F = Forecast. ¹ Excludes intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries. Includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1979 data correspond with 1978/79, etc. Excludes safflower, sesame, and castor oil.

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Note: Each issue of *Agricultural Outlook* contains
highlights of the situation and outlook for the following
commodities—

- **Livestock:** cattle, hogs, broilers, eggs, turkeys, dairy.
- **Crops:** wheat, rice, feed grains, oilseeds, cotton,
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